INTER-INSTITUTIONAL AGREEMENT

This Inter-Institutional Agreement (“Agreement”) is made and entered into as of the Effective Date set forth below between the Lead Institution and Other Institution(s) identified below (together, the “Parties”). This Agreement consists of: Part 1 (“Transaction Terms”) which identifies the Parties, the patent rights subject to this Agreement, the economic arrangements between the Parties, and other transaction-specific terms; Part 2 (“General Terms”) which contains the general terms and conditions; and Exhibit A which includes terms to be included in any license agreement of the patent rights subject to this Agreement.

The Parties hereby agree as follows:

**Part 1 – Transaction Terms**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Lead Institution  North Carolina State University  For delivery via U.S. Postal Service  Office of Research Commercialization  North Carolina State University  Campus Box 8210  Raleigh, NC 27695-8210  For delivery via courier  Office of Research Commercialization  North Carolina State University  Poulton Innovation Center  1021 Main Campus Dr.  Raleigh NC, 27606  Attn: Director | | | Other Institution(s)  *[Other Institution name and address]*  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Attn: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | | |
| *Effective Date* | \_\_\_\_\_\_\_\_\_\_, 20\_\_ | | | | |
| *Patent Rights* | *Internal Reference No.* | *Serial No./Date of Filing* | | *Title* | *Inventors (including employer at time of invention)* |
|  |  | |  |  |
|  |  | |  |  |
|  |  | |  |  |
| *Share of Net Consideration* | [Name of Lead Institution]: \_\_%  [Name of Other Institution]: \_\_% | | | | |
| *Share of Patent Expenses* | [Name of Lead Institution]: \_\_%  [Name of Other Institution]: \_\_% | | | | |
| *Patent Expense Notice Level* | [Insert threshold (e.g., $5,000/calendar year) to trigger advance notice requirement or state “None.” If Lead Institution is paying 100% of Patent Costs, state “Not applicable”] | | | | |
| *Past Patent Expenses* | [Name of Lead Institution]: $\_\_\_\_\_\_\_\_\_  [Name of Other Institution]: $\_\_\_\_\_\_\_\_ | | | | |
| *Administration Fee* | [Specify %, or state “None.” If there is a cap, specify here. If there are special conditions that trigger payment of the Administration Fee such as paying foreign patent expenses or managing litigation, specify here.] | | | | |
| *Third-Party Interests* | [Identify specific existing licenses, sponsor rights or other encumbrances, including U.S. federal funding, or state “None”] | | | | |
| *Governing Law* | [Specify “State of \_\_\_\_\_” or other jurisdiction; or state “None” if the parties wish to remain silent on choice of governing law.] | | | | |
| *Changes in General Terms* | [State “No changes” or identify the specific Sections that have been changed from the standard template] | | | | |

**Part 2 – General Terms**

**1. Definitions**

The following capitalized terms have the meanings set forth below.

“Administration Fee” means the fee retained by Lead Institution as consideration for acting as lead under this Agreement. The amount of the Administration Fee, if any, is identified in the Transaction Terms and is calculated as a percentage of License Consideration after subtracting Patent Expenses reimbursed therefrom.

“Declining Party” means an Other Institution that notifies the other Party(ies) that it elects to not pay or to discontinue paying its Share of Patent Expenses for particular Patent Rights in accordance with Sections 2.2, 2.3, 4.1(b) or 4.1(c), including declining to pay expenses in excess of the Patent Expense Notice Level set forth in the Transaction Terms, if any.

“License Agreement” means any agreement entered into by Lead Institution on behalf of both Lead Institution and the Other Institution(s) granting Licensee the right to make, use, offer to sell and/or sell products or services covered by Patent Rights, or any agreement granting an option for such a license.

“License Consideration” means collectively all money and other items of value (excluding research grants), including up-front license fees (whether cash, equity, or other consideration), annual maintenance fees, patent expense reimbursements, milestone fees, minimum royalties, earned royalties, and other consideration received from a Licensee or its sub­licensees, or otherwise received on account of licensing or optioning the Patent Rights.

“Licensee” means a third party who has been granted an interest in the Patent Rights pursuant to a License Agreement with Lead Institution.

“Net Consideration” means the License Consideration less the Administration Fee and unreimbursed Patent Expenses paid by the Parties.

“Patent Expenses” means all reasonable, out-of-pocket expenses incurred relating to the preparation, filing, prosecution, maintenance or defense of Patent Rights, both past and future. For avoidance of doubt, the salaries and costs of each Party’s technology transfer office or legal affairs office are not included as out-of-pocket expenses for purposes of calculating the Patent Expenses.

“Patent Rights” means worldwide rights to the inventions described and claimed in the patents and patent applications identified as Patent Rights in the Transaction Terms; reissues, reexaminations, renewals, extensions, divisionals, continuations (including continuations-in-part (CIPs) only to the extent that the claims in such CIPs are entitled to the priority date of, and fully supported by, another patent or application in the Patent Rights) of the foregoing; and any foreign counterparts and any other forms of protection directed to the inventions covered by the patents and patent applications identified as Patent Rights in the Transaction Terms.

“Share of Net Consideration” means the respective percentage allocated to each Party of Net Consideration, as set forth in the Transaction Terms.

“Share of Patent Expenses” means the respective responsibility allocated to each Party for Patent Expenses, as set forth in the Transaction Terms.

“Third-Party Interests” means rights of licensees, research sponsors (including the U.S. government) or other third parties in the Patent Rights or in the proceeds of licensing the Patent Rights, other than inventors’ interest under the Parties’ intellectual property policies. The Third-Party Interests, if any, are identified in the Transaction Terms.

**2. Patent Prosecution and Protection**

2.1 Authority to File Patents. The Lead Institution will have the responsibility and authority to take all reasonable actions necessary and appropriate to seek patent protection for the Patent Rights in accordance with the terms of the Agreement. The Lead Institution may not delegate this authority to a Licensee, unless stated otherwise in Exhibit A or unless such delegation is approved by the Other Institution for a particular Licensee (or deemed approved in accordance with Section 3.3). Although the Lead Institution will have the ultimate decision authority in these matters, the Lead Institution will use reasonable efforts to keep the Other Institution(s) reasonably informed as to all material patent prosecution actions and decisions, and the Lead Institution will give due consideration to any recommendations made by the Other Institution(s) concerning the patent prosecution. Lead Institution will provide, or direct outside patent counsel to provide, Other Institution(s) with all serial numbers and filing dates, together with copies of all applications in the Patent Rights and patents that issue from the Patent Rights, including copies of all office actions, responses and all other communications from the U.S. Patent and Trademark Office and the patent offices in any other jurisdictions.

2.2 Foreign Patent Prosecution. In instances where there is no commitment from a Licensee to reimburse Patent Expenses, Lead Institution will consult with the Other Institution(s) regarding foreign filings reasonably in advance of the filing deadline. If an Other Institution(s) is not willing to support its Share of Patent Expenses for any such foreign filing, it will so notify the Lead Institution in writing and the consequences stated under Section 2.4 will apply.

2.3 Abandonment of Patent Rights. The Lead Institution will not abandon the prosecution of any patent application (except in favor of a continuation, divisional or continuation-in-part application) or the maintenance of any Patent Rights without notifying the Other Institution(s) in writing at least 90 days in advance of any applicable deadline and allowing the Other Institution(s) the opportunity to prosecute or maintain such Patent Rights at its sole expense in the name of Other Institution(s) and Lead Institution in accordance with Section 2.4.

2.4 Consequences of Other Institution Declining Payment of Patent Expenses. If an Other Institution elects to not pay or discontinue paying its Share of Patent Expenses and thereby become a Declining Party and the other Party(ies) wish to continue prosecution of such Patent Rights, then the other Party(ies) may elect to either (a) terminate the Agreement by providing 30 days prior written notice, or

[SELECT ONLY ONE OF THE FOLLOWING CLAUSES]

[(b) pay the Declining Party’s Share of Patent Expenses, in which case the paying Party(ies) will be entitled to receive a recovery of three times the amount of Patent Expenses thereafter paid in priority to all other payments under this Agreement until such time as a License Agreement is entered into]

[(b) pay the Declining Party’s Share of Patent Expenses, in which case the Share of Net Consideration for the Declining Party with respect to such Patent Rights will be reduced to \_\_\_%]

[(b) pay the Declining Party’s Share of Patent Expenses and receive an additional \_\_% Administration Fee from the Net Consideration from such Patent Rights]

[(b) pay the Declining Party’s Share of Patent Expenses, in which case the Declining Party will no longer be entitled to a Share of Net Consideration from such Patent Rights, but the paying Party will pay the Declining Party’s inventors a share of such Net Consideration in accordance with the paying Party’s policy and the Declining Party will still be entitled under Section 4.2(b) to reimbursement of Patent Expenses actually paid by the Declining Party]

[(b) pay the Declining Party’s Share of Patent Expenses, in which case the Declining Party will no longer be entitled to a Share of Net Consideration from such Patent Rights, but the Declining Party will still be entitled under Section 4.2(b) to reimbursement of Patent Expenses actually paid by the Declining Party].

2.5 Consequences of Lead Party Declining Payment of Patent Expenses. If a Lead Party elects to abandon particular Patent Rights or elects to not pay or discontinue paying its Share of Patent Expenses and the Other Institution(s) wishes to continue prosecution of such Patent Rights, then the Parties will negotiate in good faith an appropriate arrangement to enable the Other Institution(s) to continue prosecution and commercialization of such Patent Rights, which may include the Parties entering into a new agreement that gives an Other Institution the lead in patent prosecution and licensing with appropriate adjustments in the economic arrangements between the Parties.

2.6 Patent Assignments. Lead Institution will record assignments of Patent Rights in the names of the Lead Institution and the Other Institution(s) in the United States Patent and Trademark Office and other government patent offices, as applicable, and will provide Other Institution(s) with a copy of each recorded assignment.

**3. Licensing**

3.1 Exclusive Right to License. Subject to the terms and conditions of this Agreement and Lead Institution’s compliance therewith, Other Institution(s) hereby grants to Lead Institution (a) the exclusive right to negotiate, enter into, and administer License Agreements that comply with the requirements of Section 3.6, and (b) except as permitted under Section 3.4, the exclusive license to grant licenses to its rights in the Patent Rights to Licensees. Other Institution(s) will not license the Patent Rights, except as permitted under Section 3.4.

3.2 Efforts to License. Lead Institution will use reasonable efforts, consistent with its usual practices, to seek Licensee(s) for the commercial development of Patent Rights and will administer all License Agreements for the mutual benefit of the Parties and in the public interest. Lead Institution will exercise its reasonable efforts to ensure that any Licensee fully complies with the terms of any License Agreement. Under no circumstances will Lead Institution be liable to Other Institution(s) for monetary damages for any alleged failure by Lead Institution to meet the obligations stated in this Section 3.2.

3.3 License Agreement. Subject to the terms and conditions of this Agreement, Lead Institution will have the final authority to negotiate and enter into License Agreement(s). Lead Institution will provide Other Institution(s) with a substantially final draft of any License Agreement or amendment to a License Agreement prior to execution for the Other Institution(s) to review for compliance with Section 3.6 of this Agreement. Other Institution(s) agrees that if it does not provide objections or comments within ten (10) business days of its receipt of the substantially final draft of the License Agreement or amendment, Other Institution(s) will be deemed to have approved it. Other Institution(s) acknowledges that the Other Institution(s) may not withhold approval of a License Agreement or amendment because of its expected financial return (e.g., royalties or equity level). The Lead Institution will provide the Other Institution(s) a copy of any License Agreement or amendment that is executed.

3.4 Reserved Rights. Each Party expressly reserves the right to use the Patent Rights and associated inventions or technology for educational and research purposes, and to grant such educational and research rights to other non-profit institutions. Each Party can also license rights to the U.S. government as required by its obligations related to research funding.

3.5 No Agency Relationship. This Agreement does not create an agency relationship between the Parties.

3.6 Terms of License Agreements. License Agreements must include, without limitation, the terms identified in Exhibit A and be consistent with any policies and requirements of the Other Institution(s) identified in Exhibit A, except to the extent that a License Agreement with deviations therefrom is approved by the Other Institution(s) or deemed approved in accordance with Section 3.3.

3.7 Equity in Licensees. If the consideration for a grant of a license to the Patent Rights includes equity in the Licensee, the Lead Institution will in accordance with its regular practices either (a) allocate the equity among the Parties in accordance with each Party’s Share of Net Consideration without giving effect to the Administration Fee, if any, and promptly distribute to the Other Institution(s) its share of the equity, or (b) hold such equity until it receives cash on account of such equity whether by way of dividend, sale of shares, merger or other transaction or event and then allocate and distribute such cash as License Consideration hereunder. If Exhibit A provides requirements that dictate a particular handling of equity, then that provision will take precedence over this Section 3.7. The Lead Institution will use its reasonable efforts to obtain for the Other Institution(s) information about the Licensee relevant to the equity issuance that is reasonably requested by the Other Institution(s).

3.8 No Implied License. This Agreement grants no express or implied license in any rights of either Party except for the rights explicitly granted in Patent Rights.

**4. Financial Terms**

4.1 Patent Expenses.

(a) The Patent Expenses invoiced to the Parties prior to the Effective Date are identified as Past Patent Expenses in the Transaction Terms. Within 90 days of the Effective Date, the other Parties will pay their Share of Patent Expenses with respect to the Past Patent Expenses to the Parties that incurred such expenses.

(b) The Lead Institution will be solely respon­sible for reviewing and approving all Patent Expenses incurred after the Effective Date and for ensuring that all Patent Expenses are paid in a timely manner. The Lead Institution will furnish to the Other Institution(s) copies of all invoices for Patent Expenses on a regular basis. The Other Institution(s), within 90 days after receipt of the invoices, will reimburse to the Lead Institution its Share of Patent Expenses which have been paid by the Lead Institution and not reimbursed by a Licensee. Notwithstanding the foregoing, Lead Institution will notify Other Institution(s) prior to incurring Patent Expenses in excess of the Patent Expense Notice Level, if any, set forth in the Transaction Terms. In the event such advance notice is given, the Other Institution(s) may elect to pay its Share of Patent Expenses for such overage or decline to pay such overage and have the consequences stated in Section 2.4 apply. In the event such level is exceeded and advance notice was not given, Other Institution(s) will not be responsible for reimbursing Patent Expenses in excess of such level.

(c) Upon at least 90-days prior written notice from an Other Institution to the other Party(ies), such Other Institution may decline to pay its Share of Patent Expenses incurred after such notice period for one or more types of anticipated Patent Expenses (e.g., expense for continu­ing to prosecute a particular patent application, or for main­tenance of a particular patent). As a result of such a decision, if the other Party(ies) pays such Patent Expenses, then the consequences stated in Section 2.4 will apply.

4.2 License Consideration.

(a) The Lead Institution will have the responsibility, obligation and authority to receive and collect the License Consideration payable under the License Agreement, and perform such audits under the License Agreement as the Lead Institution deems appro­priate. The Lead Institution will keep the other Parties informed as to all receipts of the License Consideration in accordance with Section 5.2. The Lead Institution will keep the other Parties reasonably informed of any material delinquencies, deficiencies or defaults by the Licensee in performing the License Agreement.

(b) The Lead Institution will deduct from the License Consideration and retain for itself or reimburse the Other Institution(s) the following amounts: first, the Patent Expenses (which will be distributed to the Parties in proportion to the Patent Expenses actually paid by each Party and not yet reimbursed, including Past Patent Expenses), and second, the Administration Fee, if any. The Net Consideration will be distributed to the Other Institution(s) in accordance with the Share of Net Consideration set forth in the Transaction Terms. Each Party will be responsible for paying out of its Share of Net Consideration any obligations it owes with respect to Third-Party Interests, unless stated otherwise in the Transaction Terms. The Lead Institution may not deduct or retain for itself or reimburse the Other Institution(s) for any costs or expenses other than Patent Expenses, unless otherwise agreed in writing by the Parties.

4.3 Allocation of Proceeds. If the Lead Institution licenses the Patent Rights together with other patent or intellectual property rights controlled by Lead Institution that are not covered by this Agreement, the Parties will negotiate in good faith to determine the portion of the gross licensing proceeds received under the License Agreement that are attributable to the Patent Rights.

4.4 Inventors. Each Party will be solely responsible for calculating and distributing to its respective inventors their share of Net Consideration or equity allocated to it under Section 3.7(a) in accordance with the Party’s own policy.

**5. Records, Reports and Audits**

5.1 Books and Records. Lead Institution will keep complete, true and accurate accounts of all Patent Expenses and of all License Consideration received by it from each Licensee of the Patent Rights and will permit Other Institution(s) to examine its books and records in order to verify the payments due or owed under this Agreement.

5.2 Payments and Reports. The Lead Institution will make the calculations as to the allocation of that License Consideration in accordance with the terms of the Agreement and furnish to the Other Institution(s) a written report of such receipts and calculations. With such report, the Lead Institution will deliver to the Other Institution(s) the Share of Net Consideration for the Other Institution(s) as shown in said calculations, if any. Such reports and distributions will be provided with the same frequency that Lead Institution distributes revenue to its inventors, but no less frequently than once per year. Lead Institution will provide the Other Institution(s) copies of reports, sublicense agreements and other material documents received from Licensees.

5.3 Annual Reports. Upon request by Other Institution(s), Lead Institution will submit to Other Institution(s) an annual report setting forth the status of all patent prosecution, commercial development and licensing activity relating to the Patent Rights for the preceding year.

**6. Patent Infringement**

If any Party learns of a potential infringement of the Patent Rights, it will promptly notify the other Parties hereto. Subject to the rights granted the Licensee in any License Agreement, the Parties agree to discuss the situation and determine in good faith how best to proceed. Notwithstanding the forgoing, Lead Institution shall retain the right to select counsel of its choosing to enforce the Patent Rights.

**7. Notice**

Any notice or payment required to be given to either Party will be addressed to the address of that Party included in the Transaction Terms. Either Party may notify the other in writing of a change of address, in which event any subsequent communication relative to this Agreement will be sent to the last said notified address. All notices and communications relating to this Agreement will be deemed to have been given when received.

**8. Confidentiality of Licensee Information**

If required by a License Agreement, each Party will, to the extent permitted by law, keep confidential the terms of such License Agreement and any business information received from the Licensee (e.g., revenues, business development reports, milestones accomplished, sublicensee information and sublicense agreements), except that a Party may report revenue it receives in accordance with its reporting requirements to sponsors and may include such revenue in aggregate licensing revenue reported by such Party.

**9. Term and Termination**

9.1 Term Duration. This Agreement is effective from the Effective Date and will remain in effect for the life of the last-to-expire patent under Patent Rights, or in the event no patent contained in Patent Rights issues or such patents or patent applications are abandoned, then one year after the last patent or patent application is abandoned, unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement.

9.2 Termination for Convenience After Three Years. Any Party may terminate the Agreement without cause at any time after three years have passed from the Effective Date upon 90 days’ prior written notice to the other Parties, unless either (a) there is a License Agreement in effect at the time of termination with respect to the Patent Rights, or (b) the Lead Institution notifies the termi­nating Party that it is actively engaged in good faith negotiations with a bona fide potential Licensee and the Lead Institution consummates a License Agreement with such potential Licensee within 120 days of the notice of termination. For the purpose of this Section, “actively engaged” will mean that there has been at least one exchange of a draft License Agree­ment or term sheet between the Lead Institution and the bona fide potential Licensee within 60 days after receipt of the notice of termination. In addition, a Party may elect to terminate the Agreement in the circumstances specified in Section 2.4.

9.3 Termination for Default. Any Party may terminate this Agreement for cause by written notice in the event another Party breaches this Agreement and does not cure the breach within 30 days of written notice.

9.4 Effect of Agreement Termination on Patent Rights.The Parties hereby agree that after effective termination of the Agreement and subject to any previously signed License Agreement, each Party may separately license its interest in the Patent Rights on a worldwide basis. There are no ongoing obligations to share Patent Expenses or share or account for revenues under such licenses, except to the extent mandated by the laws of foreign jurisdictions.

9.5 Other Effects of Termination.

(a) Termination will not affect any previously signed License Agreement or the distribution of License Consideration thereunder if still appropriate; and the applicable provisions of the Agreement will continue to be applied.

(b) Termination of this Agreement will not relieve any Party of any obligation or liability accrued under this Agreement before termination, or rescind any payments made or due before termination.

(c) Apart from the provisions specifically set forth in this Section 9, the Parties will have no further rights or obligations under the Agreement.

9.6 Surviving Terms. Any termination of this Agreement pursuant to this Section 9 will not affect the rights and obligations set forth in this Section 9 as well as the following Sections of the General Terms, all of which will survive termination: 8 (Confidentiality of Licensee Information), 11 (Disclaimer; Limitations); and 14 (Governing Law).

# 10. Representations.

10.1 Assignment by Inventors. Each Party represents that its inventors are obligated to assign to such Party all of the inventors’ rights in the Patent Rights, and that such Party will use diligent efforts to cause its inventors to sign any addi­tional papers as may be necessary to evidence such assignment.

10.2 No Conflict. Except for the Third-Party Interests identified in the Transaction Terms, each Party represents that, to the knowledge of its technology transfer office or other licensing office or department, it has not granted any rights to any entity or person in the Patent Rights other than educational and research rights granted to other non-profit institutions as permitted in Section 3.4.

**11. Disclaimers; Limitations.**

Except as set forth in Section 10, no Party extends any warranties of any kind, either express or implied, including but not limited to the warranties of merchantability or fitness for a particular purpose with respect to the Patent Rights. In addition, each of the Parties expressly disclaims any warranty that the practice of the Patent Rights will not infringe any patent, copyright, trademark, or other rights of third parties. No Party will make statements, representations, or warranties, or accept liabilities or responsibilities, with respect to or potentially involving the other Party, that are inconsistent with this Section.

To the maximum extent permitted by law, in no event will any Party be responsible for any incidental damages, consequential damages, exemplary damages of any kind, lost goodwill, lost profits, lost business and/or any indirect economic damages whatsoever regardless of whether such damages arise from claims based upon contract, negligence, tort (including strict liability or other legal theory), a breach of any warranty or term of this agreement, and regardless of whether a Party was advised or had reason to know of the possibility of incurring such damages in advance.

**12. Sponsor Reporting**

Each Party will assume responsibility for reporting the Patent Rights to its own government and other research sponsors as may be required, provided that if Lead Institution and the Other Institution(s) both received funding from a U. S. Federal Agency for the research that resulted in the Patent Rights, then the Lead Institution will take responsibility for the federal reporting, and provide viewing rights or copies of sponsor reports to the other Party. Other Institution shall supply Lead Institution with the appropriate organization code for access to iEdison reports as needed.

**13. Use of Names**

Each Party agrees that it will not use the name of any other Party or a Licensee in any advertising or publicity material, or make any form of representation or statement which would constitute an express or implied endorsement by such other Party of any licensed product, and that it will not authorize others to do so, without having obtained written approval from such other Party or Licensee. Notwithstanding the foregoing, both Parties may release factual statements regarding the existence of a license agreement such as “Institution and Licensee have entered into a license agreement for XXX technology”. Any other type of statement, advertisement, press release, promotional activity or otherwise by either party that uses the name of the other party will require the prior written consent of the named party.

**14. Governing Law**

The Agreement will be governed by and interpreted, and its performance enforced in accordance with the laws of the jurisdiction specified in the Transaction Terms, without giving effect to choice of law and conflicts of law principles, except that the scope and validity of any patent application or patent will be governed and enforced by the laws of the applicable country of the patent application or patent. If no jurisdiction is so specified or the Transaction Terms states “None” or the like, then the Parties have contractually agreed not to designate a particular governing law for the Agreement.

**15. Publication**

Each Party reserves the right to publish related to the Patent Rights, in accordance with each Party’s own policies and practices. A License Agreement will not give Licensee the right to review an advance copy of the proposed publication by any of the Parties relating to the Patent Rights unless such Party has specifically agreed in advance to the inclusion of and scope of such provision.

**16. Complete Agreement**

This Agreement sets forth the complete agreement of the Parties concerning the subject matter hereof. No waiver of or change in any of the terms hereof subsequent to the execution hereof claimed to have been made by any representative of either Party will have any force or effect unless in writing, signed by duly authorized representatives of the parties.

**17. Counterpart Signatures; Electronic Delivery**

The Parties may execute this Agreement in one or more counterparts, which may be by electronic signature or transmission, each of which will be deemed an original and all of which, taken together, will constitute one and the same instrument, and will be given the effect of an original signature upon receipt by the other Party of the electronic signature or transmission.

**In Witness Whereof**, the parties have caused this Agreement to be executed as of the Effective Date:

|  |  |
| --- | --- |
| **[Name of Lead Institution]**  By  Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date | **[Name of Other Institution(s)]**  By  Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date |

**Exhibit A**

**License Agreement Requirements**

All License Agreements will contain terms covering the following:

1. Reservation of rights to all parties to the Inter-Institutional Agreement (“IIA”) and, where possible, the right to sublicense such rights to other non-profit research institutions, to use the Patent Rights in future for research and educational purposes without payment to the Licensee;
2. Reservation of rights to government entities and to private sponsors (to the extent such rights are required under sponsored research agreements and disclosed in the IIA)
3. Payment of earned royalties on net sales by licensee and any sublicensee;
4. Reimbursement of all patent prosecution expenses if the license is exclusive;
5. Product development and commercialization diligence if the license is exclusive;
6. Periodic reports (at least annually) covering development and commercialization efforts and sale of products, including date of first commercial sale for each product;
7. Standard audit rights exercisable by the Lead Institution;
8. Indemnification of all parties to the IIA including the specific language below:

“North Carolina State University (“NCSU”), and its trustees, officers, employees, students, and agents (collectively, “NCSU Indemnities”) will be indemnified, defended by counsel acceptable to NCSU, and held harmless by Licensee from and against any claim, liability, cost, expense, damage, deficiency, loss or obligation, of any kind or nature (including, without limitation, reasonable attorneys’ fees and other costs and expenses of defense) arising from the exercise of the license(s) granted.

Licensee must maintain in force throughout the term of this Agreement or for five (5) years after the last commercial sale of a Licensed Product or Licensed Service, whichever is later, at its sole cost and expense, with licensed and reputable insurance companies, general liability insurance and products liability insurance coverage in amounts reasonably sufficient to protect against liability under the previous paragraph. NCSU has the right to ascertain from time to time that such coverage exists, such right to be exercised in a reasonable manner.”

1. Disclaimer on behalf of all parties to the IIA of all warranties, including validity, enforceability and non-infringement of the Patent Rights, including the specific language below:

“NCSU MAKES NO WARRANTIES OF ANY KIND. IN PARTICULAR, THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE NOR IS THERE A WARRANTY THAT THE USE OF THE PATENT RIGHTS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS. IN ADDITION, NOTHING IN THIS AGREEMENT MAY BE DEEMED TO BE A REPRESENTATION OR WARRANTY BY NCSU OF THE VALIDITY OF ANY OF THE PATENTS OR THE ACCURACY, SAFETY, EFFICACY, OR USEFULNESS, FOR ANY PURPOSE, OF THE PATENT RIGHTS. NCSU HAS NO OBLIGATION, EXPRESS OR IMPLIED, TO SUPERVISE, MONITOR, REVIEW OR OTHERWISE ASSUME RESPONSIBILITY FOR THE PRODUCTION, MANUFACTURE, TESTING, MARKETING OR SALE OF ANY LICENSED PRODUCT OR LICENSED SERVICE.”

1. Limitation of damages for all parties to the IIA to direct damages only;
2. Prohibition on the use of the names, logos and trademarks of the parties to the IIA, except in relation to factual statements involving the names of the parties to the IIA;
3. Unfettered right on part of all parties to the IIA to publish in connection with the Patent Rights (with reasonable delays for review for confidentiality and filing for intellectual property protection);