

**COLLABORATIVE RESEARCH AGREEMENT AND ALLOCATION OF RIGHTS
IN INTELLECTUAL PROPERTY UNDER AN STTR RESEARCH PROJECT
between**

and

MISSISSIPPI STATE UNIVERSITY

This Agreement between _____ (hereinafter “Company”), a business concern having an address _____ and Mississippi State University (hereinafter “MSU”), a university having a place of business at 610 Allen Hall, Mississippi State, MS 39762, is entered into for the purpose of allocating between the parties certain rights relating to an STTR research project to be carried out by Company and MSU (hereinafter referred to as a “Party” or collectively as the “Parties”) under an STTR funding agreement that may be awarded by _____ (hereinafter the “Agency”) to Company to fund a proposal dated _____ and entitled _____ (the “STTR Proposal”).

WHEREAS, MSU has information and/or proprietary technology relating to _____

WHEREAS, Company has information and/or proprietary technology relating to _____

WHEREAS, the proposed research project will mainly consist of _____

as described in detail in Exhibit A (hereinafter the “Research Project”); and

WHEREAS, Company will supply _____

which will not be considered for the purposes of this Research Project to be Project Intellectual Property as described in Section 3.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

1. Applicability of this Agreement

- 1.1 This Agreement shall be applicable only to matters with regard to the Research Project.
- 1.2 If the STTR Proposal is funded, Company will promptly provide a copy of such funding agreement to MSU, and Company will make a sub-award to MSU in accordance with the funding agreement, the STTR Proposal, and this Agreement. If the terms of such funding agreement appear to be inconsistent with the provisions of this Agreement, the Parties will

attempt in good faith to resolve any such inconsistencies. However, if such resolution is not achieved within a reasonable period, Company shall not be obligated to award nor MSU to accept the sub-award, as the case may be.

- 1.3 The provisions of this Agreement shall be supplied to any and all consultants subcontractors, independent contractors, or other individuals employed by Company or MSU for the purposes of the Research Project, and their agreement to be bound by the same shall be obtained.

2. Background Intellectual Property

- 2.1 The subject matter described as _____
_____ which has previously been developed by MSU shall be considered the Background Intellectual Property.
- 2.2 To the extent such rights are available, Company shall have the right to negotiate a non-exclusive license to use the above mentioned Background Intellectual Property in connection with the commercialization of the Project Intellectual Property, to the extent that such use is reasonably necessary for practical, efficient and competitive commercialization of such Project Intellectual Property. Such license shall be subject to any rights of the Government or other sponsors, and shall be granted upon the condition that Company pay a negotiated royalty on the sale, lease, license or other transfer for consideration of any product or service made by or under the authority of Company or the manufacture or use of which entails all or any part of the Background Intellectual Property.

3. Project Intellectual Property

- 3.1 "Project Intellectual Property" means the legal rights to Subject Inventions as defined in 37 CFR 401, and any resulting patent applications or patents, as well as any software first reduced to practice or conceived and developed during the performance of the Research Project.
- 3.2 The rights of the Parties to Subject Inventions made by their employees in the performance of the Research Project shall be as set forth in the Patent Rights Clause of 37 CFR 401.14 ("Patent Rights Clause").
- 3.3 Project Intellectual Property shall be owned by the Party whose employees may be appropriately named as inventors under U.S. Patent Law. Jointly made Project Intellectual Property shall be jointly owned by the Parties, with each Party having an undivided interest therein.
- 3.4 In addition to the Government's rights under the Patent Rights Clause, the Parties agree that the Government shall have an irrevocable, royalty free, non-exclusive license for any Governmental purpose in any Project Intellectual Property.
- 3.5 The Parties agree to disclose to each other, in confidence and in writing, each and every Subject Invention and any software created as part of the Research Project. The Parties acknowledge that they will disclose Subject Inventions to each other and to the Agency within two (2) months after their respective inventor(s) first disclose the invention in writing. Such disclosure to the Agency shall be in accordance with the Patent Rights Clause. Each

Party agrees to hold all details provided with such disclosure in confidence and to not disclose such details to others in a manner that would affect the patentability of the Subject Invention.

- 3.6 Each Party hereto may use Project Intellectual Property of the other non-exclusively and without compensation in connection with research or development activities for the Research Project, including inclusion in Research Project reports to the Agency and proposals to the Agency for continued funding of the Research Project through additional phases.
- 3.7 All written disclosures of such inventions shall contain sufficient detail of the invention and identification of any statutory bars and shall be considered confidential in accordance with 35 U.S.C. Section 205. Disclosure to the Agency shall be within the time provided in paragraph (c) (1) of the Patent Rights Clause of 37 CFR 401.14.
- 3.8 Company will have an option to commercialize the Project Intellectual Property subject to any rights of the Government or other sponsors as follows:
 - a) Company shall have an option to negotiate a license to any Project Intellectual Property (whether solely owned by MSU or jointly owned by MSU and Company). Such option shall extend for a period of three (3) months after such Project Intellectual Property has been disclosed to Company. During the period of such option, MSU will pursue and maintain, if it is legally able to, patent protection for any Subject Invention requested by Company provided Company agrees to reimburse MSU for its out-of-pocket expenses. MSU will not voluntarily discontinue the pursuit and maintenance of any US patent protection for the Project Intellectual Property during this option period without advance written notice to Company. In the event Company does not exercise its option, Company shall relinquish all rights to said Project Intellectual Property.
 - b) At any time prior to the expiration or termination of an option, Company may exercise such option by providing written notice to MSU, whereupon MSU and Company will promptly and in good faith enter into negotiations for a license under MSU's rights in the Project Intellectual Property. The terms of such license shall be consistent with Governmental regulations and will include terms standard for agreements between MSU and industry, taking into consideration the specifics of the parties and the technology, including, but not be limited to: (i) payment of reasonable royalties to MSU on the sale, lease, license or other transfer for consideration of products or services which embody, or the development, manufacture, use, or sale of which involve employment of, the Project Intellectual Property; (ii) reimbursement by Company of expenses incurred by MSU in seeking and maintaining patent protection for the Project Intellectual Property; and (iii) due diligence milestones. If MSU and Company cannot agree on reasonable terms within ninety (90) days after exercise of the option, Company's option to a license shall terminate and MSU shall be free to license the inventions of the Project Intellectual Property to another party.

4. Patent Prosecution and Commercialization for Jointly Owned Project Intellectual Property

4.1 Although MSU and Company agree that each has responsibility for management of Project Intellectual Property produced by its employees in accordance with appropriate government regulations and

its own institutional policy, it is recognized that more effective enablement of commercialization of jointly owned Project Intellectual Property will require a unified approach by MSU and Company. Therefore, if the STTR Proposal is funded, the following procedural framework will be put into place for the handling of jointly owned Project Intellectual Property.

- 4.2 Shortly following the identification of any jointly owned Project Intellectual Property, technical and patent representatives of MSU and Company will discuss details of handling such jointly owned Project Intellectual Property.
- 4.3 Either MSU or Company shall be designated the “Lead Party” to take primary responsibility for protection of such jointly owned Project Intellectual Property. If patent applications are to be filed, the Lead Party will ensure that the other Party is kept informed and has an opportunity to review and comment on patent prosecution. The Lead Party shall provide the other Party at least thirty (30) days notice prior to filing a patent application that includes jointly owned Project Intellectual Property.
- 4.4 As with Project Intellectual Property solely owned by MSU, Company shall have option rights as outlined in Section 3.8 above for jointly owned Project Intellectual Property.
- 4.5 In the event that Company decides not to exercise its option to MSU’s ownership interest in jointly owned Project Intellectual Property, Company and MSU may agree to undertake a cooperative licensing effort. At that point, the Lead Party shall assume sole responsibility for identifying potential commercial licensees and for negotiating the terms of commercial license agreements. All costs associated with filing prosecuting and maintaining intellectual property rights associated with the Project Intellectual Property shall be shared as agreed upon by MSU and Company. Any revenues generated by such license agreements after deduction of any agreed upon expenses shall be divided equally between MSU and Company no less often than once per year. MSU and Company shall be solely responsible for calculating and distributing to its respective inventor(s) any share of net revenues payable to such inventor(s) in accordance with its own institutional policy.

5. Publication and Confidentiality

- 5.1 Background Intellectual Property and Project Intellectual Property of a Party, as well as other proprietary or confidential information of a Party, disclosed by that Party to the other in connection with the Research Project shall be received and held in confidence by the receiving Party and, except with the consent of the disclosing Party or as permitted under this Agreement, shall neither be used by the receiving Party nor disclosed by the receiving Party to others, provided that the receiving Party has notice that such information is regarded by the disclosing Party as proprietary or confidential. However, these confidentiality obligations shall not apply to use or disclosure by the receiving Party after such information is or becomes known to the public without breach of this provision or is or becomes known to the receiving Party from a source reasonably believed to be independent of the disclosing Party or is developed by or for the receiving Party independently of its disclosure by the disclosing Party.
- 5.2 Either Party may publish its results from the Research Project and each Party agrees to provide to the other a copy of any such publications at the time of submission. Whenever possible, the publishing Party shall provide the other Party a thirty (30) day period in which to review proposed publications, identify material on which patent applications should be filed, and submit other comments. Each Party will give serious and good-faith consideration to any comments received from the other, provided, however, that such comments are

received in sufficient time so as not to delay publication.

- 5.3 In the event that Company or MSU desire to provide confidential information to the other, such information will be marked in writing as confidential at the time it is provided or, if provided orally, identified as confidential at the time of disclosure and confirmed in writing within ten (10) days of the oral disclosure. Unless otherwise required by law, the receiving Party will maintain such information in confidence in the same manner in which it maintains its own confidential information. Confidential information does not include information which:
- a) is or becomes generally available in the public domain through no act of the receiving Party; or
 - b) was independently known prior to receipt thereof or is subsequently discovered independently by an employee of the receiving Party who has no access to the information supplied under this Agreement; or
 - c) is made available to the receiving Party as a matter of lawful right by a third party. The receiving Party retains the right to refuse to accept any such information which is not considered to be essential to the Research Project. The obligations of the receiving Party to maintain the confidence of any information provided under this Agreement shall survive and continue for three (3) years.

6. Liability

MSU MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED, TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING, OR FOR THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER DISCOVERABLE OR NOT DISCOVERABLE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR WARRANTY GIVEN BY MSU THAT THE PRACTICE BY LICENSEE OR SUBLICENSEES OF THE LICENSE GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF THIRD PARTIES. IN NO EVENT SHALL THE MISSISSIPPI BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING, MSU, THE TRUSTEES, OR ANY OFFICERS, AGENTS OR EMPLOYEES THEREOF BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOSS OF PROFITS, REGARDLESS OF WHETHER MSU SHALL BE ADVISED OF, SHALL OTHERWISE HAVE REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY THEREOF.

7. Governing Law

This Agreement and any to follow in this collaborative effort shall be governed by and interpreted in accordance with the laws of the State of Mississippi.

8. Termination

- 8.1 This Agreement shall remain in force for the period during which the Parties are being funded by the Agency for the Research Project unless it is superseded by other written

agreements among the Parties and it shall automatically terminate should either Party withdraw from the collaborative program. This Agreement may be terminated by either Party in the event of the failure of the other Party to comply with the terms of this Agreement.

8.2 In the event of termination by either Party, each Party shall be responsible for its obligations through the effective date of termination. The obligation of confidentiality shall survive the termination of this Agreement and shall continue for a period of three (3) years from the date of termination.

IN WITNESS WHEREOF, the parties hereunto have duly executed this Agreement on the day and year set forth below.

[COMPANY]

MISSISSIPPI STATE UNIVERSITY

By: _____

By: _____

Name:

Name:

Title:

Title:

Date: _____

Date: _____

EXHIBIT A
to
COLLABORATIVE RESEARCH AGREEMENT AND ALLOCATION OF RIGHTS
IN INTELLECTUAL PROPERTY UNDER AN STTR RESEARCH PROJECT
between
[COMPANY] and MSU