

A. Time-limited first right to negotiate a royalty-bearing license

This is the standard University position on granting invention rights to research sponsors pursuant to Chapter 11 of the University Contract and Grant Manual. Generally, the earlier the phase of the clinical study, Phases I and II drug studies, and the greater the involvement of the University investigator in the development of the drug or device study protocol, the more likely it is that the investigator and the University will have made creative and intellectual contributions to the study. The University's standard patents rights position as described in Chapter 11 of the Contract and Grant Manual would be appropriate in these circumstances.

SAMPLE LANGUAGE:

All rights to inventions or discoveries arising from the performance of the study protocol under this Agreement shall belong to the University and shall be disposed of in accordance with University policy. To the extent that the University shall have the legal right to do so, University shall offer to sponsor(s), in accordance with the provisions of the following paragraph, a time-limited right to negotiate an exclusive (or co-exclusive where there are more than one study sponsor), royalty-bearing license, to make, use and sell any patentable inventions conceived and first actually reduced to practice in the direct performance of the study protocol under this Agreement, for the term of any patent thereon.

University shall promptly disclose to Sponsor(s) any such inventions arising under this Agreement. Sponsor(s) shall hold such disclosure on a confidential basis and will not disclose the information to any third party without consent of the University. Sponsor(s) shall advise the University in writing within sixty (60) days of disclosure to sponsor(s) whether or not it wishes to secure a commercial license. If Sponsor(s) elect to secure a license, Sponsor(s) shall assume costs associated with securing and maintaining patent protection for such inventions, whether or not a patent issues. Sponsor(s) shall have ninety (90) days from the date of election to conclude a license or option agreement with the University. Such period may be extended by mutual agreement. Said license shall contain reasonable terms and shall require diligent performance by Sponsor(s) for the timely commercial development and early marketing of such inventions, and include Sponsor(s)' continuing obligation to pay patent costs. If such agreement is not concluded in said period, University has no further obligation to Sponsor(s). If Sponsor(s) elects not to secure such license, rights to the inventions disclosed hereunder shall be disposed of in accordance with University policies, with no further obligation to the Sponsor(s).

Nothing contained in the Agreement shall be deemed to grant either directly or by implication, estoppel, or otherwise any license under any patents, patent applications, or other proprietary interest to any other inventions, discovery or improvement of either party.