

AGREEMENT BETWEEN OWNERS OF PATENT RIGHTS

THIS AGREEMENT is made by and between the United States of America as represented by the Secretary of the Navy through the Naval Research Laboratory (“NRL” or the “Government”), a United States Federal Government Laboratory of the Department of the Navy, located at 4555 Overlook Avenue, S.W., Washington, D.C., and _____ (“Institution”) having a principal place of business located at _____. NRL and Institution may be hereinafter referred to individually as a Party, and collectively as the Parties. This Agreement shall become effective upon the date of last signature by the authorized representatives of each of the Parties (“Effective Date”).

THE PARTIES AGREE AS FOLLOWS:

1. Background.

1.1. For purposes of this Agreement, the definitions set forth in Appendix A shall apply.

1.2. Institution Inventors and Government Inventors made the invention collectively defined in Appendix A as the “Invention.”

1.3. The Institution Inventor(s) have by separate agreements assigned, or shall assign, all of his/her/their right, title, and interest in the Invention to the Institution, and have agreed to assist the Institution in preparing, filing, prosecuting, defending, and maintaining the Invention Rights for the Invention throughout the world.

1.4. The Government Inventor(s) have assigned, or shall assign by operation of law, all of his/her/their right, title, and interest in the Invention to the Government, and have agreed to assist the Government in preparing, filing, prosecuting, defending, and maintaining the Invention Rights for the Invention throughout the world.

1.5. This Agreement is expressly subject to the provisions of Title 35, United States Code, Chapter 18, and to 37 Code of Federal Regulations Chapter IV, current on the effective date of this Agreement. Under those provisions, the United States is entitled and required to retain a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced throughout the world for Government purposes any subject invention conceived or made in the performance of a Government funding agreement. Any license granted hereunder shall be made expressly subject to the license rights retained by the Government.

2. Purpose. The Parties intend to exploit their assigned Invention Rights and share in the Revenues generated therefrom as provided herein. This Agreement establishes the rights and responsibilities of the Parties for obtaining and maintaining the Invention Rights, and for exploiting said rights through licensing.

3. Responsibilities.

3.1. In all instances where a Party has a prior right of approval over an action of the other Party, approval shall be requested in writing. A Party receiving a request for approval shall respond in writing within thirty (30) days. Approvals shall not be unreasonably withheld. The failure to provide a written response within thirty (30) days shall constitute a presumptive approval of such request.

3.2. Patenting and Protecting the Invention.

3.2.1. The Government grants to Institution the exclusive right to prepare, file, prosecute, maintain, reexamine, and reissue the Invention Rights.

3.2.2. Institution shall timely file and prosecute a United States patent application on patentable subject matter relating to the Invention, and maintain any United States patent that may issue upon such application, subject to Section 3.2.7

3.2.3. The Parties shall mutually agree upon which foreign countries are included in the Invention Rights Territory. Both Parties reserve the right to file foreign patent applications in countries other than those in the Invention Rights Territory at their own expense; any revenue generated from such foreign patent applications in such countries shall be excluded from Revenues shared under this Agreement. Upon making the decision to file a foreign patent application in a jurisdiction other than one in the Invention Rights Territory, a Party shall so notify the other Party.

3.2.4. During the term of this Agreement, neither Party may assign its interest in the Invention Rights without the prior written consent of the other Party.

3.2.5. The Parties shall use their best efforts to assure that their respective Inventors fully cooperate in the preparation, filing, prosecution and maintenance of the Invention Rights. Neither Party is obligated to the other Party to pay any expenses for the cooperation of the Inventors.

3.2.6. Institution shall: pay all costs associated with preparing, filing, prosecuting, and maintaining the Invention Rights; and, maintain full, accurate, and complete books and records showing all costs incurred for filing, issue and maintenance fees for the Invention Rights (which records shall be made available to Government for inspection on reasonable notice).

3.2.7. Institution may, upon sixty (60) days written notice to the Government, abandon the prosecution of any patent application, including provisional patent applications, of the Invention Rights or the maintenance of any patent of the Invention Rights. Upon receiving such notice, the Government may, at its sole option, assume authority and responsibility for the continued prosecution of any such patent application, or the maintenance of any such patent. The Government shall thereafter own all right, title and interest in and to such patent application or patent, and Institution shall have no further rights in and to such patent application or patent; any revenue generated from such patent application or patent shall be excluded from any Revenue.

Notwithstanding the Institution's abandonment of a patent application or the maintenance of a patent, the Government shall retain its license rights to practice or have practiced the Invention for Government purposes.

3.2.8. Subject to any applicable legal requirement or authority (including 35 U.S.C. §205) and the publication right set forth below, the Parties shall retain in confidence and not disclose to a third party, in whole or in part, the Invention Rights or the contents of a patent application file, except under such non-disclosure terms as the Parties may agree to.

3.2.8.1. The Parties may publish information relating to the Invention in scientific journals. In furtherance of this publication right, until such time that a patent application is filed, each Party shall provide to the other a copy of any manuscript prior to submission for publication in order to permit evaluation of whether the manuscript contains patentable subject matter relating to the Invention. At the request of the Party to whom the manuscript is submitted, the submission of the manuscript for publication shall be delayed in order to enable the preparation and filing of a patent application on any patentable subject matter described in the manuscript. In implementation of the foregoing, within thirty (30) days after receipt of a manuscript for review, the Party receiving the manuscript will notify the other Party whether a patent application should be filed in accordance with the terms and conditions of this Agreement. If at the end of such thirty (30) day period, the Parties are not able to agree to a date for submission of the manuscript, the Party supplying the manuscript shall notify the other Party of its intention to submit such manuscript for publication without the other Party's approval and may do so thirty (30) days after giving such notice.

3.2.8.2. Nothing contained herein shall preclude the Parties from making required reports or disclosures to a Federal Agency or any other organizations which provided funding which, in whole or in part, resulted in the Invention and which organization requires reports or disclosures to be made. Each Party shall mark any potentially patentable material in said reports, as such, and shall require that it be treated as protected material.

3.2.9. Institution will keep the Government informed, in a timely manner, regarding the preparation, filing, prosecution and maintenance of the Invention Rights, including, but not limited to, promptly providing U.S. and foreign patent numbers and patent application serial numbers and copies of assignments.

3.2.10. Subject to a grant by Institution to a third party of the Invention Rights that includes the right of enforcement, Institution shall have the right to elect to prosecute any legal actions involving the Invention Rights, including, but not limited to, infringement, interference, opposition, and appeals. Such legal actions shall be at Institution's expense and shall be under the exclusive control of Institution. Upon request by the Institution, the Government may provide Institution assistance and information in connection with Institution's taking such action. Institution shall reimburse the Government for the Government's reasonable expenses incurred in providing such assistance. Any monetary recoveries collected by Institution from such legal actions shall first be allocated to reimburse Institution for its costs incurred in prosecuting such

legal actions. Any sums remaining after Institution has been fully reimbursed for its actual costs shall be treated as Net Income.

3.3. Licensing the Invention Rights.

3.3.1. The Government grants to Institution the exclusive right to negotiate, execute, administer, and enforce License Agreements for the Invention Rights. Institution shall seek one or more Licensees for the commercial exploitation of the Invention Rights and shall administer all License Agreements for the mutual benefit of the Parties.

3.3.2. The Parties shall cooperate to achieve commercial exploitation of the Invention Rights and shall keep each other informed of all requests by third parties concerning commercial exploitation. The Institution shall not have any right, in addition to the rights described herein, to commercially exploit or license the Invention Rights without the express written permission of the Government. All commercial licenses with respect to the Invention Rights shall be made in the name of Institution and shall be administered by Institution.

3.3.3. Institution shall make all licenses of the Invention Rights expressly subject to the terms and conditions of this Agreement, and any license terms inconsistent with this Agreement shall be without force and effect. Institution shall provide to the Government copies of all documents licensing the Invention Rights within thirty (30) days after execution of the license by Institution.

3.4. License Compensation.

3.4.1. In consideration for securing and administering License Agreements, Institution shall be entitled to retain an Administration Fee of fifteen percent (15%) of any Revenue generated under this Agreement, said Administration Fee not to exceed ten thousand dollars (\$10,000) in any given year.

3.4.2. Except as otherwise provided in this Agreement, Net Income collected shall be divided and shared on the following basis: fifty percent (50%) of the Net Income to the Institution; and, fifty percent (50%) of the Net Income to the Government.

3.4.3. Institution shall not license its interest in the Invention Rights without including the corresponding interest of the Government as part of such License Agreement. Institution shall not, without the approval of the Government, which shall not be unreasonably withheld, require or allow its interest in the Invention Rights to be licensed with any interest in any other invention. If the Government approves, Institution may license the Invention Rights with other inventions or interests. If the Invention Rights are licensed with other inventions or interests, Revenue received under such License Agreements shall be allocated in equal shares to each of the licensed patents and interests, and the portion of the compensation allocated to the Invention Rights shall be divided between the Parties in the manner described herein for Net Income.

3.4.4. The Inventors shall receive from their respective employers their share of licensing income and such other benefits, if any, specified under the respective patent policies of each of the Parties or under such other agreements as may exist between the Inventors and their

respective employers. Neither Party shall be responsible to the other for any failure to properly fulfill obligations to the Inventors.

3.4.5. The terms of licensing of the Invention Rights shall distinguish clearly between Revenue collected as compensation for license rights and other payments made as compensation for further research and development pertaining to the Invention.

3.4.6. The terms of compensation for licensing of the Invention Rights shall be negotiated and stated in specific dollar amounts or specific percentages of net income or net sales. Interest and service charges, to cover Institution's administrative costs of collecting delinquent payments, may be assessed and retained by Institution.

3.5. Reports, Records, Term, and Termination.

3.5.1. Institution shall require royalty reports from all Licensees of the Invention Rights at least annually, and shall furnish a copy of all such royalty reports to the Government concurrent with payments of the Government's share of Net Income.

3.5.2. Institution shall make and keep full, accurate and complete records of all costs incurred pursuant to the legal actions involving the Invention Rights and shall furnish to the Government on July 1 of each year a report of all such costs incurred during the prior twelve (12) months.

3.5.3. Institution shall make and keep full, accurate and complete records as are necessary to establish its compliance with this Agreement. Institution agrees that the Government may, at reasonable times, have a duly authorized agent or representative of the Government inspect all such records either at Institution's premises or at a place mutually agreed upon by the Parties. Such books and records shall be preserved for a period not less than six (6) years after they are created including during and after the term of this Agreement. Institution shall take all steps reasonable so that the Government may, within thirty (30) days of its request, review and copy at a single U.S. location Institution's books and records to verify Institution's compliance with this Agreement and the accuracy and completeness of its accounting referred to above.

3.5.4. The term of this Agreement shall be from the Effective Date until the expiration of the last patent in the Invention Rights, unless either Party sooner gives at least six (6) months prior written notice to the other Party of its intention to terminate. In the event that this Agreement is terminated, Articles 3.2.7 and 3.2.8 shall survive. In the event that a license agreement is in force, this Agreement shall remain in effect.

3.5.5. If either Party at any time defaults in the timely payment of any monies due to the other Party, or if either Party commits any other material breach of this Agreement, and such Party fails to remedy such material breach or default within ninety (90) days after written notice thereof by the non-breaching Party, the non-breaching Party may terminate this Agreement, whereupon each Party shall be free to license the technology in accordance with United States Patent Law, subject to any surviving patent licenses and financial obligations established under this Agreement. In the event the Agreement is terminated, the Parties agree that neither Party shall have the right to license in countries in the Invention Rights Territory where a Party elected

not to pay its share of the patent costs, and where the other Party patented the Invention in such other countries at its own cost.

4. General Provisions.

4.1. Any modification of this Agreement, to be effective, must be in writing and signed by the authorized representatives of both Parties.

4.2. This Agreement shall be governed by and construed in accordance with United States Federal Law.

4.3. This Agreement constitutes the full understanding between the Parties with reference to the subject matter hereof, and no statements or agreements by or between the Parties, whether orally or in writing, made prior to the Effective Date hereof, shall vary or modify the written terms of this Agreement.

4.4. If one or more of the provisions of this Agreement shall be held to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby, provided that the intent of the Parties in entering into the Agreement is not materially affected thereby.

4.5. Nothing contained in this Agreement shall be construed : (1) as a warranty or representation as to the validity or scope of any patent application or patent filed or issued on subject matter of the Invention; (2) to grant in any way to either Party any rights with respect to any invention, patent application or patent not pertaining to the subject matter of the Invention; (3) as an obligation to bring, or prosecute, actions against third parties for infringement; (4) as an obligation to furnish any manufacturing or technical information; or, (5) as conferring any immunity from, or defenses under, antitrust laws, patent misuse laws, or any other state, commonwealth, or United States Federal Law.

4.6. Any time critical communication required or permitted under this Agreement shall be made in writing and sent by personal delivery (including delivery by reputable courier services such as the Federal Express Corporation). Communications shall be addressed as set forth below or as subsequently designated by notice to the other Party.

Communications to Institution shall be addressed to:

Communications to Government shall be addressed to:

Technology Transfer Office
Code 1004
Naval Research Laboratory
4555 Overlook Avenue, SW
Washington, DC 20375

4.7. Method of Payment

4.7.1. All payments due to the Government under this Agreement shall be made in U.S. dollars and be submitted via Express Mail or Electronic Fund Transfer (EFT).

4.7.2. If payment is being made by check or some other form of non-cash paper tender, the tender should be made payable to:

DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS)

Mailed to:

Naval Research Laboratory
Code 3353
4555 Overlook Avenue, SW
Washington, DC 20375

4.7.3. If the tender is bring made using EFT, then the following must be used:

<<*Current routing information*>>

4.7.4. Moreover, regardless of the method of tender, the tender must be annotated or identified with:

Agreement Number: (insert IIA-number); and (insert name of Institution).

4.8. The Government confers no right to use the name "U. S. Navy" or "U.S. Naval Research Laboratory" without the prior written consent of the Government. Neither Party may use the name of the other Party in any way for advertising or publicity without the express written consent of the other Party. Institution will be able to make public notices on all literature that describe the technology as being "jointly owned with the U.S. Naval Research Laboratory", but all other references to the Government will require approval through the Technology Transfer Office at the Naval Research Laboratory for Institution marketing materials. The Parties may, however, issue a press release concerning the Agreement or any License Agreement, only so long as it is reviewed and approved by the Parties, which approval will not be withheld unreasonably.

4.8. Neither Party confers a right to the other Party to use any of its trademarks or servicemarks for advertising or publicity without the prior written consent of the mark-holding Party.

5. Warranties and Representations.

5.1. Institution warrants and represents that the Institution Inventor(s) have assigned, or shall assign, to the Institution all of his/her/their right, title and interest in the Invention Rights. The Government warrants and represents that it has or shall have by assignment or operation of law

all of the right, title and interest of Government Inventor(s) in the Invention Rights. The Parties warrant that they shall in good faith have their respective Inventors cooperate and assist in preparing, filing, prosecuting, and maintaining the Invention Rights in the Invention Rights Territory.

5.2. The Parties warrant and represent that, with respect to the Invention Rights, they are under no known obligation to anyone other than the Institution, Inventors, and the United States Government.

5.3. Exchanges of proprietary information between the Parties shall be pursuant to such separate non-disclosure agreement as may be executed between the Parties.

IN WITNESS WHEREOF, the authorized representatives of the Parties hereto have duly executed this Agreement on the dates indicated below.

NAVAL RESEARCH LABORATORY

INSTITUTION

By: _____

By: _____

Printed Name:

Printed Name:

Title:

Title:

Date: _____

Date: _____

APPENDIX A

1. "Administration Fee" shall mean a fee to be retained by the Institution as consideration for securing and administering License Agreements.
2. "Agreement" shall mean this Agreement between the Government and the Institution.
3. The term "days" shall mean calendar days.
4. "Effective Date" shall mean the date of the last signature of the signatories executing this Agreement.
5. "Government Inventors" shall mean all persons named as an inventor of the Invention who are under an obligation to assign their interest in the Invention Rights to the Government
6. "Institution Inventors" shall mean all persons named as an inventor of the Invention who are under an obligation to assign their interest in the Invention Rights to the Institution.
7. "Invention Rights" shall mean all rights in the Invention (including but not limited to: provisional, non-provisional, divisional, continuation, and continuation-in-part patent applications; patents; and reissues) throughout the Invention Rights Territory. Invention Rights shall not include any continuation-in-part patent application to the extent that it contains one or more claims directed to new matter which is not subject matter of the Invention.
8. "Invention Rights Territory" shall mean the United States and all foreign jurisdictions where the Parties concur that a patent application for subject matter disclosed and claimed in the Invention Rights should be filed in conformance with this Agreement.
9. The "Invention" shall mean all the patentable subject matter disclosed and claimed in the following:
_____. The Inventions were funded by the United States Government except for the part carried out by Institution. The subject matter of the Invention generally relates to _____.
10. "Inventors" shall mean the Government Inventor(s) and the Institution Inventor(s).
11. "License Agreement(s)" shall mean any agreements entered into by the Institution for the benefit of the Government and the Institution with a third-party Licensee wherein the Institution grants a Licensee the right to make, use, lease, sublicense and/or sell products or processes covered by the Invention Rights in a field of use or within a designated area in the Invention Rights Territory.
12. "Net Income" shall mean Revenue less the Administration Fee less actual costs incurred in pursuing, prosecuting, and/or maintaining the Invention Rights and actual costs incurred in pursuing or defending legal actions.
13. "Revenue" shall mean any monetary payments collected under the terms of a License Agreement and any monetary recoveries collected by the Institution.