**SPONSORED RESEARCH AGREEMENT**

This Sponsored Research Agreement (“Agreement”) is made effective as of \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Effective Date”), by and between ***Name of Institution***, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ corporation located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Institution”), and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_ corporation located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Sponsor”). Party shall mean the Sponsor or Institution as the context dictates, and when used in the plural, shall mean the Sponsor and Institution.

**WHEREAS,** the research program contemplated by this Agreement is of mutual interest and benefit to Institution and Sponsor, and will further the instructional and research objectives of Institution in a manner consistent with its status as a non-profit, tax-exempt, academic institution.

**NOW, THEREFORE,** the Parties hereto agree as follows:

**1. STATEMENT OF WORK.** Institution agrees to use reasonable efforts to diligently perform the research program as described in **Attachment A** (the “Research”) to this Agreement.

**2. PRINCIPAL INVESTIGATOR.**  The Research will be supervised by \_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Principal Investigator”). If, for any reason,[[1]](#footnote-1) \_\_\_\_\_\_\_\_\_\_ is unable to continue to serve as Principal Investigator and a successor reasonably acceptable to both Institution and Sponsor is not available, this Agreement may be terminated by either Party as provided in paragraph 6.B.

**3. PERIOD OF PERFORMANCE.** The Research shall be conducted during the period commencing \_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Start Date”) and, unless earlier terminated in accordance with this Agreement, ending \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Completion Date”). The Completion Date may be modified or extended only by mutual written agreement of the Parties.

**4. REIMBURSEMENT OF COSTS.**

Check One:

The Research is being performed on a fixed-price basis; or

The Research is being performed on a cost-reimbursement basis.

If the Research is being performed on a cost-reimbursement basis, the Sponsor shall reimburse Institution for direct and indirect costs incurred in the performance of the Research in accordance with Attachment A. Total reimbursements shall not exceed the total estimated project cost of $\_\_\_\_\_\_\_ without written authorization from the Sponsor. To the extent specified in Article 5, Sponsor may advance specified amounts to be applied against such cost reimbursement obligation, subject to the final financial accounting and reimbursement of unexpended funds specified in Article 5.

If the Research is being performed on a fixed-price basis, Institution shall be responsible for completing the Research for the payments specified in Article 5 and otherwise at its own cost.

**5. PAYMENT.**  Payment(s) shall be made to Institution by the Sponsor in U.S. dollars, excluding taxes or impost of any kind, as follows:[[2]](#footnote-2)

$ due

Information for payment(s) by wire transfer appears in **Attachment B** to this Agreement.

For Research being performed on a cost-reimbursement basis only, as indicated in Article 4 above, a final financial accounting of all costs incurred and all funds received by Institution hereunder, together with a refund check for the amount of the unexpended balance, if any, shall be submitted to the Sponsor within 90 days following the Completion Date or termination of this Agreement.

**6. TERMINATION.**

A. Material Breach. This Agreement may be terminated by the non-breaching Party in the event that the other Party commits a material breach of this Agreement and fails to cure such breach within 30 days following receipt of written notice from the non-breaching Party specifying the nature of the breach.

B. Loss of Institution Principal Investigator. In the event that the Principal Investigator ceases to supervise the Research and a mutually acceptable substitute is not identified in accordance with Article 2, either Party may terminate this Agreement upon 30 days notice to the other Party.

C. Termination for Convenience. Sponsor may terminate this Agreement on 60 days prior written notice to Institution for any or no reason.[[3]](#footnote-3)

D. Upon termination by either Party, if the Research is being performed on a cost-reimbursement basis, Institution will be reimbursed in accordance with Articles 4 and 5 for all non-cancelable costs and non-cancelable commitments incurred in connection with the Research up to and including the effective date of termination, such reimbursement together with amounts previously paid by Sponsor to Institution pursuant to this Agreement not to exceed the total estimated cost specified in Article 4. If the Research is being performed on a fixed-price basis, then upon termination Institution and Sponsor shall agree on an appropriate refund, if any, that Institution shall pay to Sponsor upon termination that represents the portion of any prior funding payments made by Sponsor to Institution pursuant to Article 5 for Research that was to have been conducted following such termination but that was not conducted due to such termination.

**7. CONFIDENTIAL INFORMATION.** If, in the performance of the Research, the Principal Investigator and members of the Institution research team require and accept access to the Sponsor’s “Confidential Information” (as defined in **Attachment C** to this Agreement), the rights and obligations of the Parties with respect to such information shall be governed by the terms and conditions set forth in **Attachment C** to this Agreement. Institution’s acceptance of such information must be given in writing, before such information is provided to Institution. Any information transmitted to Institution without such written acceptance shall not be deemed to be Sponsor’s Confidential Information.

**8.** **PUBLICATIONS.** Institution will be free to publish the results of the Research after providing the Sponsor with a thirty (30) day period in which to review each publication to identify patentable subject matter and to identify any inadvertent disclosure of Confidential Information, which, if identified and requested by Sponsor, Institution shall remove from such publication.[[4]](#footnote-4) If requested by Sponsor to permit the preparation and filing of patent applications in advance of publication, the Principal Investigator shall agree to an additional delay in publication not to exceed [thirty (30)/sixty (60)] days. Any further extension will require subsequent agreement between the Sponsor and Institution.[[5]](#footnote-5)

**9. SPONSOR INTELLECTUAL PROPERTY.** Title to any invention conceived [or/and] first reduced to practice in performance of the Research solely by the Sponsor’s personnel without significant use of Institution administered funds or facilities[[6]](#footnote-6) (“Sponsor Invention”) shall remain with the Sponsor. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by the Sponsor’s personnel without significant use of Institution administered funds or facilities[[7]](#footnote-7) (“Sponsor Copyright”) shall remain with the Sponsor. Neither Sponsor Inventions nor Sponsor Copyrights shall be subject to the terms and conditions of this Agreement.

**10. JOINT INTELLECTUAL PROPERTY.**

A. joint inventions. The Parties shall have joint title to (i) any invention conceived [or/and] first reduced to practice jointly by employees and/or students of Institution and the Sponsor’s personnel in the performance of the Research and (ii) any invention conceived or first reduced to practice by the Sponsor’s personnel in the performance of the Research with significant use of funds or facilities administered by Institution[[8]](#footnote-8) (each, a “Joint Invention”). The Sponsor shall be notified of any Joint Invention promptly after an invention disclosure is received by Institution’s office or department responsible for intellectual property management (the “IP Office”). [\_\_\_\_\_\_\_\_\_\_][[9]](#footnote-9) shall have the first right to file a patent application on a Joint Invention in the names of both Parties. The Parties will cooperate in good faith in prosecuting and maintaining patents and patent applications on Joint Inventions. All expenses incurred in obtaining and maintaining any patent on such Joint Invention shall be equally shared except that, if one Party declines to share in such expenses, the other Party may take over the prosecution and maintenance thereof, at its own expense, provided that title to the patent remains in the names of both Parties.

B. licenses. Each Party shall have the independent, unrestricted right to license to third parties any such Joint Invention without accounting to the other Party, subject to Sponsor’s right to negotiate an exclusive license to Institution’s interest in a Joint Invention as provided under paragraph 11.B.2. below.

C. jointly developed copyrightable materials. Copyrightable materials, including computer software, developed in the performance of the Research (i) jointly by employees and/or students of Institution and the Sponsor’s personnel, or (ii) by the Sponsor’s personnel with significant use of funds or facilities administered by Institution[[10]](#footnote-10), shall be jointly owned by both Parties, who shall each have the independent, unrestricted right to use, reproduce, make derivative works of, display, distribute and perform such copyrightable materials and dispose of their share of the copyrights therein as it deems appropriate, without any obligation of accounting to the other Party.

**11. INSTITUTION INTELLECTUAL PROPERTY.**

A. Institution inventions. Institution shall have sole title to any invention conceived and first reduced to practice solely by employees and/or students of Institution in the performance of the Research (each a “Institution Invention”). The Sponsor shall be notified of any Institution Invention promptly after a disclosure is received by Institution’s IP Office. Institution (a) may file a patent application at its own discretion and expense or (b) shall do so at the request of the Sponsor and at the Sponsor’s expense.

B. licensing options. For each Institution Invention on which a patent application is filed by Institution, Institution hereby grants the Sponsor a non-exclusive, non-transferable, royalty-free license for internal research purposes. The Sponsor shall further be entitled to elect one of the following alternatives by notice in writing to Institution within six (6) months after Institution’s notification to the Sponsor that a patent application has been filed (the “License Election Period”):

1. a non-exclusive, non-transferable, world-wide, royalty-free license (in a designated field of use, where appropriate) to the Sponsor, without the right to sublicense,to make, have made, use, lease, sell and import products embodying or produced through the use of such invention, provided that the Sponsor agrees to reimburse Institution for the costs of patent prosecution and maintenance in the United States and any elected foreign country[[11]](#footnote-11); or

2. a royalty-bearing, exclusive, world-wide license under Instituion’s interest in the Institution Invention (subject to third party rights[[12]](#footnote-12), if any, as well as the retained rights of Institution and other not-for-profit institutions to practice such Invention(s) for [non-commercial][[13]](#footnote-13) educational, instructional and research use, and in a designated field of use, where appropriate) to the Sponsor, including the right to sublicense, to make, have made, use, lease, sell and import products embodying or produced through the use of such invention. This option to elect an exclusive license is subject to the negotiation of commercially reasonable license terms and conditions and conditioned upon Sponsor’s agreement to reimburse Institution for the costs of patent prosecution and maintenance in the United States and any elected foreign country and, unless Sponsor obtains a waiver of such requirement from the U.S. government, to cause any products produced pursuant to this license that will be used or sold in the United States to be substantially manufactured in the United States. Institution and Sponsor will negotiate such license for no less than [\_\_\_ days/months] following Instiution’s receipt of Sponsor’s notice electing to negotiate a license under this paragraph 11.B.2.

If the Sponsor does not make an election to proceed under paragraph 11.B.1. or 11.B.2. above within the License Election Period, the Sponsor’s rights under paragraphs 11.B.1. and 11.B.2. will expire.

C. foreign filing election. If the Sponsor elects a license under paragraph 11.B.1 or 11.B.2., the Sponsor shall notify Institution of those foreign countries in which it desires a license in sufficient timefor Institution to satisfy the patent law requirements of those countries. The Sponsor will reimburse Institution for all or a portion of the out-of-pocket costs, including patent filing, prosecution and maintenance fees, related to those foreign filings, as set forth in paragraphs 11.B.1 and 11.B.2.

1. confidentiality of invention disclosures. The Sponsor shall retain all invention disclosures submitted to the Sponsor by Institution in confidence and use reasonable efforts to prevent their disclosure to third parties. Such obligation of confidentiality as to information in any such invention disclosure shall not apply, however, to information that (a) was in Sponsor’s possession before receipt from the Institution; (b) is or becomes a matter of public knowledge through no fault of Sponsor; (c) is received by Sponsor from a third party having an apparent bona fide right to disclose the information without a duty of confidentiality to Institution; or (d) is independently developed by Sponsor without use of such information. Nothing in this Agreement shall be construed to prevent Sponsor from disclosing information as required by law or legal process, as long as Sponsor, if permitted by applicable law, promptly notifies Institution of its obligation to disclose and provides reasonable cooperation to Institution in any efforts to contest or limit the scope of the disclosure.
2. copyright ownership and licenses. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by employees and/or students of Institution shall remain with Institution.
   * 1. For any copyrights or copyrightable material other than computer software and its documentation and/or informational databases required to be delivered in accordance with Attachment A, the Sponsor is hereby granted an irrevocable, royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works of, display, distribute and perform all such copyrightable materials [for internal research purposes].[[14]](#footnote-14)
     2. The Sponsor shall be entitled to elect, by notice to Institution within six (6) months following Institution’s notification or delivery to the Sponsor of computer software and its documentation and/or informational databases required to be delivered to the Sponsor in accordance with Attachment A, a royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works based upon, display, and distribute such computer software and its documentation and/or databases for internal and/or commercial purposes. If the exercise of such license rights would infringe claims of a patent application filed pursuant to paragraph 11.A. above, then the Sponsor will need to elect license rights in such patent as set forth in 11.B. above in order to elect the license contemplated by this paragraph. If such computer software is a derivative of Institution software existing prior to the start of the Research, then, notwithstanding the foregoing, such license may not be royalty-free.

F. rights in trp. In the event that Institution generates property rights other than patents and copyrights to any tangible research property (TRP), including but not limited to biological materials, developed during the course of the Research, Institution and the Sponsor will determine the disposition of rights to such property by separate agreement. Institution will, at a minimum, reserve the right to use TRP for [non-commercial][[15]](#footnote-15) educational, instructional and research purposes.

G.license effective date.All licenses elected by the Sponsor pursuant to Sections B., E. and F. of this Article 11 become effective as of the date the Parties sign a separate license agreement.

**12. USE OF NAMES.** TheSponsor and its affiliates shall not use the name “***Name of Institution***,” its logo or insignia, or any variation, adaptation, or abbreviation thereof, or the name of any of Institution’s schools, offices, trustees, officers, faculty members, students, employees, or agents, or any trademark owned by Institution, in any public announcement, disclosure or publication without the prior written consent of Institution’s IP Office, which consent Institution may withhold in its sole discretion. Institution’s IP Office will respond to any such request within a reasonable period of time.[[16]](#footnote-16)

**13. REPRESENTATIONS AND WARRANTIES.** INSTITUTION MAKES NOREPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE RESEARCH, RESEARCH RESULTS OR ANY INTELLECTUAL PROPERTY RIGHTS AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES[[17]](#footnote-17), EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF INSTITUTION OR THIRD PARTIES, CREATION, VALIDITY, ENFORCEABILITY AND SCOPE OF ANY INTELLECTUAL PROPERTY RIGHTS OR CLAIMS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE.

IN NO EVENT SHALL EITHER PARTY, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, STUDENTS AND AFFILIATES, BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING LOST PROFITS, REGARDLESS OF WHETHER THE PARTY WAS ADVISED, HAD OTHER REASON TO KNOW OR IN FACT KNEW OF THE POSSIBILITY OF THE FOREGOING.

INSTITUTION’S AGGREGATE LIABILITY FOR ALL DAMAGES OF ANY KIND ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ITS SUBJECT MATTER SHALL NOT EXCEED THE AMOUNTS PAID TO INSTITUTION UNDER THIS AGREEMENT.

THIS ARTICLE 13 SHALL SURVIVE THE EXPIRATION OR ANY EARLIER TERMINATION OF THIS AGREEMENT. **[[18]](#footnote-18)**

**14. NOTICES.** Any notices required to be given or which shall be given under this Agreement shall be in writing and be addressed to the Parties as shown below. Notices shall be delivered by electronic mail, certified or registered first class mail (air mail if not domestic) or by commercial courier service and shall be deemed to have been given or made as of the date received. Any notice served by electronic mail shall be confirmed by certified or registered first class mail or commercial courier service within three (3) business days.

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| --- | --- |
| **Institution** | **SPONSOR** |
| **Contractual Matters**  Institution Office of Sponsored Programs  \_\_\_\_\_  \_\_\_\_\_  Attention: [name]  Phone: + 1-  Fax: + 1-  Email: @xxx.edu  **Invoice and Payment Matters**  Sponsored Accounting  Institution Name  -----  Phone:  Fax:  Email:[@xxx.edu](mailto:@xxx.edu) | **Contractual Matters**  **Invoice and Payment Matters** |
| **Technical Matters**  Institution [Dept/Lab/Center]  Attention: [PI name]  Phone: +1-  Fax: +1-  E-mail: @xxx.edu | **Technical Matters** |
| **Intellectual Property Matters**  Institution IP Office  Attention:  Phone:  Fax:  Email: @xxx.edu | **Intellectual Property Matters** |

**15. ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Neither Party may assign this Agreement without the prior written consent of the other Party, except to an affiliate or to a successor to all or substantially all of its business and assets relating to the subject matter of this Agreement, whether by merger, sale of assets or otherwise. Any attempted assignment in violation of this Article 15 is void.

**16. GOVERNING LAW.** The validity and interpretation of this Agreement and the legal relationship of the Parties to it shall be governed by the laws of the Commonwealth of Massachusetts and the applicable U.S. Federal law.

**17. MEDIATION.** If a dispute arises between the Parties, either Party may notify the other of its desire to mediate the dispute and the dispute shall be mediated.

1. mediator. The mediation shall be conducted by a single mediator. The Party requesting mediation shall designate two (2) or more nominees for mediator in its notice. The other Party may accept one of the nominees or may designate its own nominees by notice addressed to the American Arbitration Association (AAA) and copied to the requesting Party. If within, thirty (30) days following the request for mediation, the Parties have not selected a mutually acceptable mediator, a mediator shall be appointed by the AAA according to the Commercial Mediation Rules.

B. non-binding; expenses. The mediator shall attempt to facilitate a negotiated settlement of the dispute, but shall have no authority to impose any settlement terms on the Parties. The expenses of the mediation shall be borne equally by the Parties, but each Party shall be responsible for its own counsel fees and expenses.

C. failed mediation. If the dispute is not resolved by mediation within forty-five (45) days after commencement of mediation, each Party shall be entitled to pursue any right or other legal remedy the Party may otherwise have.

D. right to seek equitable relief. Notwithstanding the provisions of this Section, a Party may bring suit in a court of competent jurisdiction for equitable relief from the other Party’s alleged breach of its confidentiality obligations without first mediating the issue.

**18. FORCE MAJEURE.** Neither Party shall be liable to the other for failure to perform any of its respective obligations imposed by this Agreement provided such failure shall be occasioned by fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, governmental interference, civil commotion, riot, war, terrorism, strikes, labor disturbance, or any other cause beyond its reasonable control.

**19. EXPORT CONTROLS.** Each Party acknowledges that any information or materials provided by the other under this Agreement may be subject to U.S. export laws and regulations, including the International Traffic in Arms Regulations ([ITAR, 22 CFR Chapter 1, Subchapter M, Parts 120-130](http://www.pmddtc.state.gov/regulations_laws/itar_consolidated.html)), Export Administration Regulations ([EAR, 15 CFR Chapter VII, Subchapter C, Parts 730-774](http://www.access.gpo.gov/bis/ear/ear_data.html))), and Assistance to Foreign Atomic Energy Activities ([10 CFR Part 810](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title10/10cfr810_main_02.tpl)); each Party agrees to comply with all such laws.

Because Institution is an institution of higher education and has many students, faculty, staff, and visitors who are foreign persons, Institution intends to conduct the Research as fundamental research under the export regulations, such that the results generated by Institution qualify as “public domain” under [ITAR Parts 120.10(a)(5) and 120.11](http://www.pmddtc.state.gov/regulations_laws/documents/consolidated_itar/Part_120.pdf) or “publicly available under [EAR Parts 734.3(b)(3) and 734.8(a, b)](http://www.access.gpo.gov/bis/ear/pdf/734.pdf).

Sponsor will not knowingly disclose, and will use commercially reasonable efforts to prevent disclosure to Institution of any information subject to ITAR controls or in the Commerce Control List ([EAR Part 774 and Supplements](http://www.access.gpo.gov/bis/ear/ear_data.html)) or [10 CFR Part 810](http://www.access.gpo.gov/nara/cfr/waisidx_08/10cfr810_08.html) Restricted Data or Sensitive Nuclear Technology. If for purposes of the Research, Sponsor intends to disclose export-controlled information to Institution, Sponsor will not disclose such information to Institution unless and until a plan for transfer, use, dissemination and control of the information has been approved by Institution’s Export Control Officer. In the event Sponsor inadvertently (i) discloses export-controlled information or (ii) breaches this Section, any deadlines contemplated by the Statement of Work will be adjusted based on the time it takes to address the disclosure.

**20. COUNTERPARTS**. This Agreement and any amendment hereto may be executed in counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument. If this Agreement is executed in counterparts, no signatory hereto will be bound until all the Parties named below have duly executed a counterpart of this Agreement.

**21. ENTIRE AGREEMENT.** Unless otherwise specified, this Agreement and its Attachments embody the entire understanding between Institution and the Sponsor with respect to the Research, and any prior or contemporaneous representations, either oral or written, are hereby superseded. No amendments or changes to this Agreement, including, without limitation, changes in the statement of work, period of performance or total estimated cost, shall be effective unless made in writing and signed by authorized representatives of the Parties.

**IN WITNESS WHEREOF,** the Sponsor and Institution, intending to be legally bound, have executed this Agreement as of the Effective Date by their respective duly authorized representatives.

**INSTITUTION SPONSOR**

By By

Name Name

Title Title

Date Date

**ATTACHMENT A**

**INSTITUTION STATEMENT OF WORK**

# Attachment B

# INSTRUCTIONS FOR MAKING Wire Transfers in USD ONLY TO Institution

**ATTACHMENT C**

**SPONSOR CONFIDENTIAL INFORMATION[[19]](#footnote-19)**

If, in the performance of the Research, the Principal Investigator and members of the Institution research team designated by him/her require and accept access offered by the Sponsor to certain information that the Sponsor considers confidential, the rights and obligations of the Parties with respect to such information are as follows:

1. CONFIDENTIAL Information. When used in this Agreement, “Confidential Information” means confidential and proprietary information of any kind which is disclosed by the Sponsor to Institution that (i) prior to disclosure, is marked with a legend indicating its confidential status or (ii) is disclosed orally or visually, if the Sponsor identifies such information as confidential at the time of disclosure and, within 30 days of such disclosure, delivers to the Principal Investigator a notice summarizing the confidential information disclosed.[[20]](#footnote-20) Notwithstanding the foregoing, in no event is information Confidential Information if it (a) was in Institution’s possession before receipt from the Sponsor; (b) is or becomes a matter of public knowledge through no fault of Institution; (c) is received by Institution from a third party having an apparent bona fide right to disclose the information without a duty of confidentiality to the Sponsor; or (d) is independently developed by Institution without use of the Confidential Information.

2. LIMITATIONS ON USE. Institution shall use the Confidential Information solely for the purposes of the Research. Disclosure by the Sponsor of the Confidential Information does not constitute a grant to Institution of any right or license to the Confidential Information except as set forth herein or in a duly executed license agreement.

3. CARE OF CONFIDENTIAL INFORMATION. Institution shall exert reasonable efforts to maintain the Confidential Information in confidence, except that Institution may disclose or permit disclosure of any of the Confidential Information to its directors (members of the Institution Corporation), officers, employees, consultants, advisors, students, subcontractors and agents, who need to know such Confidential Information in the performance of the Research and who have been advised of and have agreed to maintain the confidential nature of the Confidential Information.

Institution shall be deemed to have discharged its obligations hereunder provided Institution has exercised the foregoing degree of care and provided further that Institution shall immediately, upon discovery of any disclosure not authorized hereunder, notify the Sponsor and take reasonable steps to prevent any further unauthorized disclosure or unauthorized use.[[21]](#footnote-21)

Institution's obligations of confidentiality with respect to use and non-disclosure of Confidential Information provided under this Agreement shall survive for a period of [three (3)] years following receipt of the information.

4. REQUIRED DISCLOSURES. Nothing in this Agreement shall be construed to prevent Institution from disclosing Confidential Information as required by law or legal process, as long as Institution, if permitted by applicable law, promptly notifies the Sponsor of its obligation to disclose and provides reasonable cooperation to the Sponsor in any efforts to contest or limit the scope of the disclosure.

5. RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION. When the Confidential Information is no longer required for the purposes of this Agreement, Institution shall, at the direction of the Sponsor, either destroy or return to the Sponsor all Confidential Information and shall destroy any electronic or digital manifestations of the Confidential Information, [except that Institution may retain one copy of the Confidential Information solely for the purposes of monitoring its obligations under this Agreement][[22]](#footnote-22).

1. Sponsor may wish to limit the reasons that a PI can cease to oversee the Research to circumstances in which the PI leaves Institution or becomes incapacitated, given the detrimental effect such cessation may have on Sponsor’s investment in the Research. [↑](#footnote-ref-1)
2. The payment schedule can be either time-based or milestone-based. Often Institution will seek a payment schedule that provides funding in advance of Institution incurring corresponding costs. [↑](#footnote-ref-2)
3. A termination for convenience right in favor of Sponsor is typical for a Research engagement that is expected to extend over time. Institution is generally concerned about having sufficient advance notice to enable it to deal with personnel allocations and potential layoffs. In some cases, the Institution will not agree to termination for convenience, because the faculty or lab would not be willing to undertake the research unless the Sponsor is fully committed to the entire term of the research project. [↑](#footnote-ref-3)
4. Institution may wish to limit review to the initial manuscript only to avoid multiple rounds of review with Company. However, Company may wish to review each manuscript to protect against disclosure of its Confidential Information. Review procedures should be discussed. [↑](#footnote-ref-4)
5. In some circumstances, a more coordinated approach to publication may be warranted when the Sponsor itself or other institutions are actually generating a portion of the research results that are being published. [↑](#footnote-ref-5)
6. This phrase provides Institution with an ability to claim joint ownership of inventions that are made with “significant use of Institution administered funds or facilities”. Further discussion and explanation may be required. [↑](#footnote-ref-6)
7. Same issue. [↑](#footnote-ref-7)
8. See comments to Article 9. [↑](#footnote-ref-8)
9. Which party takes the lead in prosecuting jointly-owned IP is sometimes negotiated, depending on the particular Institution.  Sponsor may wish to inquire with Institution as to the strength of its conviction in this regard. [↑](#footnote-ref-9)
10. See comments to Article 9. [↑](#footnote-ref-10)
11. Not all institutions are able to grant non-exclusive, royalty-free commercial research licenses. This should be clarified with the licensing institution. In certain cases, specific indemnification and insurance provisions must be agreed to in connection with such license. If included, because license grant is non-exclusive, Sponsor may wish to negotiate an alternative provision that only requires Sponsor to pay an appropriate fraction of the patent prosecution costs. [↑](#footnote-ref-11)
12. If this limitation is retained, Sponsor may wish to clarify what third party rights are relevant. [↑](#footnote-ref-12)
13. Certain institutions may wish to persevere the ability to conduct research for other commercial entities. [↑](#footnote-ref-13)
14. Scope of non-exclusive license should be considered. Certain Institutions may only be willing to grant the license for research purposes. [↑](#footnote-ref-14)
15. See note 13. [↑](#footnote-ref-15)
16. Institution may have Institution-specific use of name provisions that it will seek to include here. [↑](#footnote-ref-16)
17. Specific representations and warranties have not been included. These should be considered and discussed with the Institution if needed. [↑](#footnote-ref-17)
18. Indemnification provisions have not been included. Not all Institutions are able to agree to indemnification obligations. [↑](#footnote-ref-18)
19. The proposed language only applies with respect to Sponsor’s confidential information. Depending on the circumstances, it may be appropriate to provide for protection of Institution’s confidential information as well. [↑](#footnote-ref-19)
20. This definition requires confidential information to be specifically marked as such. Consider whether to also include information that is readily understood to be confidential even if not marked as such. The Institution will want clarity on the scope of its obligations, however the Sponsor may wish to protect from inadvertent disclosures without marking. [↑](#footnote-ref-20)
21. This paragraph limits Institution’s obligation to using reasonable efforts. Sponsor may wish to impose a higher standard, depending on the nature of the confidential information at issue. [↑](#footnote-ref-21)
22. The Institution may require a copy of Sponsor’s confidential information be retained to monitor compliance with the Agreement. [↑](#footnote-ref-22)