

SPONSORED RESEARCH AGREEMENT (Jointly Owned IP)

This Sponsored Research Agreement (the "Agreement") is made between North Dakota State University ("University"), and a corporation with its principal place of business at ("Sponsor").

RECITALS

- A. University is pursuing research in the area of
- B. Sponsor is willing to sponsor such research.
- C. Sponsor desires to obtain certain rights to patents and technology resulting from the research.
- D. University is willing to grant certain rights to patents and technology that result from the research.

NOW THEREFORE, in consideration of the mutual covenants and promises herein made, the University and Sponsor agree as follows:

1. EFFECTIVE DATE This Agreement shall be effective as of _____ (the "Effective Date").

2. RESEARCH PROGRAM

a. University will use its own facilities and its reasonable best efforts to conduct the research program described in Attachment A ("Research Program") under the direction of _____ or [his or her] successor as mutually agreed to by the parties (the "Principal Investigator").

b. The Research Program shall be carried out from the Effective Date, if starting date is different from Effective Date indicate starting date , through and including _____ (the "Term"). The parties may extend the Research Program under mutually agreeable terms.

c. Sponsor understands that University's primary mission is education and advancement of knowledge and the Research Program will be designed to be compatible, consistent, and beneficial in carrying out that mission. The manner of performance of the Research Program shall be determined solely by the Principal Investigator. University does not guarantee specific results.

d. Sponsor understands that University may be involved in similar research through other researchers on behalf of itself and others. University shall be free to continue such research provided that it is conducted separately and by different investigators from the Research Program, and Sponsor shall not gain any rights via this Agreement to other research.

e. University does not guarantee that any patent rights will result from the Research Program, that the scope of any patent rights will cover Sponsor's commercial interest, or that any patent rights will be free of dominance by other patents, including those based on inventions made by other inventors in the System.

3. COMPENSATION

a. As consideration for University's performance, Sponsor will pay the University an amount equal to its expenditures and reasonable overhead in conducting the Research Program subject to a maximum expenditure limitation of \$ _____ divided as follows: an initial payment of \$ _____ shall be made upon execution of this Agreement, and subsequent payments shall be made as follows:

b. Sponsor will make payments to North Dakota State University [at _____]
referencing the Principal Investigator and Research Program title, to the following address:

c. The Principal Investigator may transfer funds within the budget as needed without Sponsor's approval so long as the scope of work under the Research Program remains unchanged. After termination in compliance with the provisions of Section 11, University will return to Sponsor all uncommitted and unexpended funds.

4. COMMUNICATION AND REPORTS

a. Sponsor's designated representative for communications with the Principal Investigator shall be _____ or any other person Sponsor may designate in writing to University and the Principal Investigator ("Designated Representative").

b. The Principal Investigator will make reports summarizing the work completed on the Research Program. The Principal Investigator shall also submit a comprehensive final report within _____ days after termination of the Agreement. The NDSU Grants and Contracts Office will submit a financial report of related Research Program expenses within () days after termination.

5. PUBLICITY

Neither party will reference the other in a press release or any other oral or written statement in connection with the Research Program and its results intended for use in the public media, except as required by the North Dakota State Board of Higher Education or other law or regulation. University, however, may acknowledge Sponsor's support of the Research Program in scientific or academic publications or communications without Sponsor's prior approval. In any permitted statements, the parties shall describe the scope and nature of their participation accurately and appropriately.

6. PUBLICATION

The Principal Investigator has the right to publish or otherwise publicly disclose information gained in the course of the Research Program. In order to avoid loss of patent rights as a result of premature public disclosure of patentable information, University will submit any prepublication materials to Sponsor for review and comment at least sixty (60) days prior to

planned submission for publication. Sponsor shall notify University within thirty (30) days of receipt of such materials whether they describe any inventions or discoveries subject to the parties' rights under Section 8. University shall have the final authority to determine the scope and content of any publications.

7. CONFIDENTIAL INFORMATION

a. The parties may wish to disclose confidential information to each other in connection with work contemplated by this Agreement ("Confidential Information"). Each party will use reasonable efforts to prevent the disclosure of the other party's Confidential Information to third parties for a period of three (3) years from receipt, provided that the recipient party's obligation shall not apply to information that:

- i. was already rightfully in the possession of the receiving party prior to the disclosure thereof by the other party;
 - ii. is obtained from a third person who, insofar as is known, is not prohibited from transmitting the information by a contractual, legal or fiduciary obligation to the other;
 - iii. through no act of omission of the receiving party, is or hereafter becomes part of the public domain
 - iv. the receiving party can prove was developed independently and not based, in whole or in any part, on any Confidential Information furnished by the other party;
 - v. is subject to another agreement between the parties which permits use and/or disclosures; or
 - vi. is determined by the North Dakota Attorney General or a court of law to be an open record under the laws of North Dakota.
- b. In the event that information is required to be disclosed pursuant to subsection (vi), the party required to make disclosure shall notify the other to allow that party to assert whatever exclusions or exemptions may be available to it under such law or regulation.

8. PATENTS, COPYRIGHTS, AND TECHNOLOGY RIGHTS

a. Title to all inventions and discoveries made solely by University inventors resulting from the Research Program shall reside in University; title to all inventions and discoveries made solely by Sponsor inventors resulting from the Research Program shall reside in Sponsor; title to all inventions and discoveries made jointly by University and Sponsor inventors resulting from the Research Program shall reside jointly in University and Sponsor.

b. University will disclose to Sponsor any inventions or discoveries resulting from the Research Program as soon as possible after creation and reduction to practice. Sponsor shall notify University within thirty (30) days of receipt of disclosure whether:

- i. Sponsor desires University to file patent applications on any invention, in which case Sponsor shall reimburse all University patent application filing costs, including those for patentability opinions; or
- ii. Sponsor desires to use its own patent counsel to file patent applications, in which case Sponsor shall be directly responsible for patent application filing but shall obtain University's prior approval of counsel and of patent applications; or
- iii. Sponsor does not desire that a patent application be filed in which case the rights to such invention shall be disposed of in accordance with University policies with no further obligation to Sponsor.

c. With respect to inventions for which Sponsor has agreed to file patent application or to reimburse University's costs for filing patent applications, University grants Sponsor an option to negotiate an exclusive or non-exclusive, worldwide, royalty-bearing license to make, use or sell under any invention or discovery owned wholly or partly by University and made or conceived and reduced to practice during the Term of this Agreement or within six (6) months thereafter and directly resulting from the Research Program. If Sponsor elects an exclusive license, it will include a right to sublicense with accounting to University. Sponsor shall have three (3) months from disclosure of any invention or discovery to notify University of its desire to enter into such a license agreement, and the parties shall negotiate in good faith for a period not to exceed six (6) months after that notification, or such period of time as to which the parties shall mutually agree.

d. If Sponsor and University fail to enter into an agreement during that period of time, the rights to such invention or discovery shall be disposed of in accordance with University policies with no further obligation to Sponsor.

e. University shall retain a non-exclusive license, with the right to grant sub-licenses, for teaching and research purposes only, under any patent applications or patents or other intellectual property licensed hereunder.

9. LIABILITY

a. Sponsor agrees to indemnify and hold harmless University, its officers, agents, and employees from any liability, loss, or damage they may suffer as a result of claims, demands, costs, or judgments against them arising out of the activities to be carried out pursuant to the obligations of this Agreement, including but not limited to the use by Sponsor of the results obtained from the activities performed by University under this Agreement; provided, however, that the following is excluded from Sponsor's obligation to indemnify and hold harmless:

- i. the negligent failure of University to substantially comply with any applicable governmental requirements; or
- ii. the negligence or willful malfeasance of any officer, agent or employee of University.

b. Both parties agree that upon receipt of a notice of claim or action arising out of the Research Program, the party receiving such notice will notify the other party promptly. Sponsor agrees, at its own expense, to provide attorneys to defend against any actions brought or filed against University, its officers, agents and/or employees with respect to the subject of the indemnity contained herein, whether such claims or actions are rightfully brought or filed; said attorneys must have appointments as special assistant attorneys general from the North Dakota Attorney General. University agrees to cooperate with Sponsor in the defense of such claim or action.

10. INDEPENDENT CONTRACTOR

For the purposes of this Agreement and all services to be provided hereunder, the parties are independent contractors and not agents or employees of the other party. Neither party shall have authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other party, except as expressly provided herein or authorized in writing.

11. TERM AND TERMINATION

a. This Agreement may be terminated by the written agreement of both parties.

b. In the event that either party shall be in default of its material obligations under this Agreement and shall fail to remedy such default within sixty (60) days after receipt of written notice thereof, this Agreement shall terminate upon expiration of the sixty (60) day period.

c. Termination or cancellation of this Agreement shall not affect the rights and obligations of the parties accrued prior to termination. Upon termination, Sponsor shall pay University for all reasonable expenses incurred or committed to be expended as of the effective termination date, including salaries for appointees for the remainder of their appointment. d. Any provisions of this Agreement which by their nature extend beyond termination shall survive such termination.

12. ATTACHMENTS

Attachment A is incorporated herein and made a part of this Agreement for all purposes.

13. GENERAL

a. With the exception that University may assign ownership and its rights under this Agreement of intellectual property to the NDSU Research Foundation, this Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that subject to the approval of University, which may not be unreasonably withheld, Sponsor may assign this Agreement to any purchaser or transferee of all or substantially all of Sponsor's assets or stock upon prior written notice to University, and University may assign its right to receive payments hereunder.

b. This Agreement constitutes the entire and only agreement between the parties relating to the Research Program, and all prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.

c. Any notice or report required or permitted to be given under this Agreement shall be deemed to have been sufficiently given for all purposes if given by prepaid, first class, certified mail, return receipt requested, addressed in the case of University to:

Vice President for Research, Creative Activities, and Technology Transfer
Box 5756
Fargo, North Dakota 58105-5756

ATTN: Director of Research
FAX: (701) 231-8098
PHONE: (701) 231-8045

or in the case of Sponsor to:

SPONSOR
ADDRESS
CITY, STATE ZIP
ATTN: (CONTACT PERSON)
FAX:
PHONE:

d. Title to all equipment purchased and/or fabricated by University with funds provided by Sponsor pursuant to this Agreement shall become and remain property of University unless otherwise agreed in writing by both parties.

e. This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of North Dakota.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

SPONSOR

By:

Title:

North Dakota State University

By:

Title: