**EXCLUSIVE LICENSE AGREEMENT**

This **EXCLUSIVE LICENSE AGREEMENT** (referred to as “Agreement”) made as of the [Day] of [Month], [Year] (the “Effective Date”), is entered into by and between **[Company Name]**, a [Type of Company] duly organized and existing under the laws of the state of [State of Incorporation], having its principal place of business at [Address] (hereinafter referred to as “COMPANY”) and the **Board of Trustees of Southern Illinois University**, a body politic and corporate of the State of Illinois, by and on behalf of [SIU Campus], located at [Campus Location] (hereinafter referred to as “UNIVERSITY”).

RECITALS

WHEREAS, UNIVERSITY is the owner of the Licensed IP defined below;

WHEREAS, COMPANY is in the business of designing, manufacturing, marketing, and selling [Description of Development/Commercialization] products and services;

WHEREAS, COMPANY desires to include the technology covered by the Licensed IP in certain of its products and services. Furthermore, COMPANY desires to develop and advance a product or products or services covered by the Licensed Patents and Licensed Technology;

WHEREAS, COMPANY desires to obtain an exclusive license to the Licensed IP; and

WHEREAS, UNIVERSITY is willing to grant such an exclusive license to the Licensed IP upon the terms and conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the premises and the faithful performance of the mutual promises contained in this Agreement, the Parties agree as follows:

ARTICLE 1. DEFINITIONS

For the purposes of this Agreement, the following terms shall have the meaning set forth below:

1.1 “Affiliate” means an entity that controls, is controlled by or is under common control with a Party. For purposes of this definition, “control” shall mean the possession directly or indirectly, of a majority of the voting power of such entity (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise); provided that such entity shall be deemed an Affiliate only so long as such control continues.

1.2 “Confidential Information” means proprietary information, know-how and other information disclosed by one Party, or by any Affiliates of a Party, to the other Party pursuant to its rights or obligations under this Agreement. In order to be deemed confidential, Confidential Information must be supplied to the other Party in written form and identified as being confidential or, if disclosed orally, shall be confirmed in writing within forty-five (45) days of its oral disclosure, provided, however, that failure to do so shall not constitute a designation of non-confidentiality, particularly when the confidential nature is apparent from the context and subject matter, all of which a reasonable person would conclude is proprietary and confidential in nature. Confidential Information includes, but is not limited to, information and correspondence relating to the Licensed Patents received from UNIVERSITY or UNIVERSITY's patent counsel and all Licensed Technology.

1.3 “Expiration Date” means the date of expiration of the last surviving Valid Claim within the Licensed Patents covering the Licensed Products and/or Licensed Services in the United States. No Improvements will extend such expiration date unless agreed to in writing by both Parties.

1.4 “Field of Use” means any and all fields covered by the Licensed IP.

1.5 “Gross Sales” means the gross sales amounts received for commercial sales or commercial services of the Licensed Product in the Field of Use and in the Territory by COMPANY and/or an Affiliate of COMPANY to a Third Party.

1.6 “Improvement” means any new, improved or modified product, method or process conceived, invented, or developed by UNIVERSITY or its employees during the course of research and relating to the Field of Use.

1.7 “Licensed IP” means Licensed Patents and Licensed Technology.

1.8 “Licensed Patents” means United States Patent Nos. [Patent Numbers], as well as any reissues, reexaminations, extensions, divisions, continuations, continuations-in-part and foreign counterparts of any of the foregoing, and any patented Improvements thereto. A list of patents comprising the Licensed Patents as of the Effective Date is attached hereto as Exhibit A.

1.9 “Licensed Products” means products or portions of a product manufactured, caused to be manufactured, sold, offered for sale, used, imported, or exported by COMPANY, that but for the license granted herein would infringe a Valid Claim of a Licensed Patent by virtue of such manufacture, caused manufacture, sale, offer for sale, use, importation or exportation.

1.10 “Licensed Services” means any and all services performed for consideration by or for COMPANY and/or an Affiliate of COMPANY which employs a Licensed Product in their performance.

1.11 “Licensed Technology” means all unpatented products, methods, inventions, innovations, know-how, discoveries, designs, techniques and/or improvement otherwise conceived in whole or in part by UNIVERSITY or its employees, including without limitation [UNIVERSITY Inventor(s)], or a person working under their joint or individual direction, in the course of conducting research in the Field of Use.

1.12 “Net Accrued Licensing Revenue” means any and all consideration received by or due and owing to COMPANY from any Third Party sublicensee of COMPANY with respect to the Licensed IP, less amounts received by COMPANY from such Third Party as: (i) funding or reimbursement for research and/or development expenses incurred by COMPANY; (ii) payment or reimbursement for patent-related expenses incurred by COMPANY with respect to the Licensed Patents; and (iii) royalties.

1.13 “Net Sales” means Gross Sales less: (i) normal and customary price reductions or discounts, including cash discounts, or rebates, actually granted by COMPANY; (ii) credits or allowances actually granted by COMPANY upon claims, rejections or returns of the Licensed Product, including recalls, regardless of the Party requesting such; (iii) the actual cost of freight and insurance that has been included in the Gross Sales; and (iv) any tax imposed or other governmental charge (other than an income or withholding tax) charged or levied on the sale, transportation, or delivery of a Licensed Product and borne by COMPANY on such sales in the Field of Use and in the Territory. For purposes of clarity, Net Sales shall not include revenues received by COMPANY for sales of products that are not Licensed Products, whether such products are sold together with or separate from Licensed Products.

1.14 “Parties” means both COMPANY and UNIVERSITY, and the term “Party” shall mean either of them.

1.15 “Territory” means worldwide.

1.16 “Third Party” means any person or entity other than the Parties, or an Affiliate of the Parties.

1.17 “Valid Claim” means: (i) a claim of an issued and unexpired patent within the Licensed Patents which has not been held unpatentable, invalid or unenforceable by a court or other government agency of competent jurisdiction and has not been admitted to be invalid or unenforceable through reissue, re-examination, disclaimer or otherwise; or (ii) a claim of a pending patent application within the Licensed Patents being prosecuted in good faith that has not been abandoned or finally rejected.

ARTICLE 2. GRANT OF LICENSE

2.1 License Grant. UNIVERSITY hereby grants to COMPANY and its Affiliates an exclusive license to manufacture, have manufactured on its behalf, use, sell, offer to sell, market, import, and export Licensed Products and Licensed Services under the Licensed IP in the Territory within the Field of Use. Subject to all applicable law and subject to UNIVERSITY’s prior written approval, which shall not be unreasonably withheld, the license granted pursuant to this Agreement shall include the right to sublicense the rights granted to COMPANY herein to any Third Party. COMPANY covenants and agrees not to manufacture, have manufactured on its behalf, use, sell, offer to sell, market, import, or export Licensed Products or Licensed Services under the Licensed IP outside the Territory or outside the Field of Use and further agrees that any and all such actions shall be considered a material breach of this Agreement. [Note: the highlighted portions may be deleted for licenses that will include worldwide rights in all fields.]

Because the Licensed IP was developed in part under funding by the [Funding Agency], the Licensed IP is subject to overriding obligations to the United States Government, including those specified in 35 U.S.C. §§ 200-212 and applicable governmental implementing regulations. Specifically, the United States Government requires a non-transferable, paid up, non-exclusive, irrevocable license to use the Licensed IP throughout the world. UNIVERSITY shall be solely responsible for executing such license and complying with all other applicable reporting and licensing requirements to the United States Government under this Article 2.1. COMPANY shall work with UNIVERSITY in perfecting the non-transferable, paid up, non-exclusive, irrevocable license to the United States Government as reasonably required by UNIVERSITY. [Note: This entire paragraph is not applicable and should be deleted if Licensed Patents were not federally funded.]

2.2 Restrictions on Other Grants. UNIVERSITY hereby agrees to refrain from directly or indirectly exercising or granting any rights which are inconsistent with the license rights granted pursuant to Article 2.1 of this Agreement. COMPANY grants back to UNIVERSITY a perpetual, non-exclusive and non-transferable right of research and teaching within the Field of Use. UNIVERSITY shall be free to publish information relating to Licensed Patents in scientific journals. In furtherance of this publication right, UNIVERSITY will use its reasonable efforts to assure that COMPANY is provided with a copy of any manuscript prior to its submission for publication, to permit COMPANY to evaluate such manuscript in order to determine whether it contains additional patentable subject matter relating to Licensed Patents. At the request of COMPANY, the submission of the manuscript for publication will 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 intended for publication, COMPANY will notify UNIVERSITY in writing whether or not a patent application would 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 mutually acceptable date for submission of the manuscript for publication to enable the implementation of the decision to file a patent application, UNIVERSITY shall notify COMPANY in writing of its intention to submit such manuscript for publication without COMPANY’s approval and may do so sixty (60) days after giving such notice.

2.3 Sublicensing. COMPANY shall have the exclusive right to grant sublicenses under the License Grant of Article 2.1, provided however, that all such grants are subject to UNIVERSITY’s prior written approval, which shall not be unreasonably withheld. COMPANY shall provide written notice to UNIVERSITY of any proposed sublicense relating to the Licensed IP no less than thirty (30) days in advance of the grant date for the sublicense. COMPANY shall remain responsible for payment to UNIVERSITY of proceeds of sublicensing according to Article 3.2. COMPANY may not sublicense unless the terms of the sublicense are consistent with all the terms of this Agreement. [Note: the highlighted portion may be deleted for licenses that will include worldwide rights in all fields.]

2.4 Further Notification. UNIVERSITY shall give COMPANY advance notice of the acquisition or issuance of patent applications, patents, or other intellectual property rights comprising the Licensed Patents set forth in Exhibit A.

2.5 UNIVERSITY Rights in Data. In the event that COMPANY abandons development of a Licensed Product or Licensed Service in the Field of Use during the Term of this Agreement, it shall so notify UNIVERSITY, and COMPANY will make available to UNIVERSITY a copy of any data generated by COMPANY and/or its Affiliates in the course of development of any Licensed Product, provided that UNIVERSITY shall have the right to use such data for development and to disclose such data to Third Parties in connection with efforts to commercialize Licensed Products and Licensed Services.

ARTICLE 3. CONSIDERATION AND REPORTS

3.1 Consideration. In consideration of the rights and license granted to COMPANY by UNIVERSITY under this Agreement, COMPANY agrees to pay UNIVERSITY as follows:

3.1.1 Upfront Consideration. Within sixty (60) days of the Effective Date of this Agreement, COMPANY shall pay UNIVERSITY an upfront payment of [Upfront Amount] as partial consideration for this agreement.

3.1.2 Royalty. The Parties recognize that the Milestone Payments listed in Article 3.1.5 below are insufficient to compensate UNIVERSITY for the license granted herein. Therefore, COMPANY, or COMPANY on behalf of its Affiliates or sublicensees, will pay UNIVERSITY a royalty of [Primary Royalty Rate] on Net Sales of Licensed Products and Licensed Services. This royalty shall cease at the expiration of the last surviving Licensed Patent. All royalties payable under this Article 3.1.2 shall be due on an annual basis no later than March 1 following the calendar year ending December 31.

3.1.3 Minimum Annual Royalty. COMPANY, or COMPANY on behalf of its Affiliates or sublicensees, shall pay UNIVERSITY a Minimum Annual Royalty, payable on an annual basis no later than March 1 following the calendar year ending December 31. The Minimum Annual Royalty will not begin until the first full calendar year after the Effective Date of this Agreement (Year 1). For clarity, no Minimum Annual Royalty will be due for the calendar year in which this Agreement has the assigned Effective Date (Year 0). The Minimum Annual Royalty for Year 1 shall be [Minimum Royalty #1], due by March 1 of Year 2. The Minimum Annual Royalty for Year 2 shall be [Minimum Royalty #2], due by March 1 of Year 3. The Minimum Annual Royalty for Year 3 shall be [Minimum Royalty #3], due by March 1 of Year 4. The Minimum Annual Royalty shall be [Minimum Royalty #4] for Year 4 and all subsequent years of the Term. All Minimum Annual Royalties paid under this Article 3.1.3 shall be credited against royalty payments for commercial sales under Articles 3.1.2 and 3.2.1, and shall not constitute an additional royalty or other payment obligation of COMPANY. For purposes of clarity, no Minimum Annual Royalty shall be due in any year in which the payments made pursuant to Articles 3.1.2 and 3.2.1 together equals or exceeds the Minimum Annual Royalty stated in this Article 3.1.3 for that year.

3.1.4 Equity. The Parties agree that the consideration defined in Articles 3.1.1, 3.1.2 and 3.1.3 is insufficient consideration for this Agreement. As additional consideration for the grant of rights to COMPANY by UNIVERSITY in this Agreement, COMPANY shall, upon execution of this Agreement or as mutually agreed in writing by the Parties, issue to Southern Illinois Research Park, Inc. (SIRP), on behalf of the Board of Trustees of Southern Illinois University a fully paid, fully vested, non-assessable, non-voting share of ownership interest in COMPANY equaling [Number of Shares] of COMPANY’s shares outstanding. The Parties acknowledge and agree that the interest to be granted to UNIVERSITY by this paragraph is a material part of this Agreement and that the granting of said interest is a material inducement to UNIVERSITY granting the license.

COMPANY agrees to enact a term of COMPANY’s operating agreement that SIRP, on behalf of the Board of Trustees of Southern Illinois University, shall be a member of COMPANY with a fully paid, fully vested, non-assessable, non-voting share of ownership interest in COMPANY equaling [Number of Shares] membership units ([Ownership %] of outstanding COMPANY equity at the time of execution of the operating agreement), which shall be exchanged for UNIVERSITY’s [Ownership %] share in COMPANY. Said ownership interest shall be dilutable only to the same extent as other founding/initial members’ shares are at the time of issuance to the UNIVERSITY. Any such ownership interest shall be issued in the name of “Southern Illinois Research Park, Inc., on behalf of the Board of Trustees of Southern Illinois University.” Other terms and conditions pursuant to said ownership interest shall be consistent with terms and conditions for other founders and as negotiated in good faith by the Parties. The Parties acknowledge and agree that the interest to be granted to UNIVERSITY by this paragraph is a material part of this Agreement and that the granting of said interest is a material inducement to UNIVERSITY granting the license.

UNIVERSITY’s status in COMPANY shall be that of a non-managing member and UNIVERSITY shall have all rights accorded to other non-managing members.

3.1.5 Milestone Payment. A Milestone Payment of [Milestone Payment Amount] shall be owed to UNIVERSITY upon accrual of [Milestone Sales Amount] in Net Sales by COMPANY. Such Milestone Payment shall be payable within ninety (90) days of achieving such accrual in Net Sales. The Milestone Payment shall be creditable against the Minimum Annual Royalty as defined in Article 3.1.3.

3.2 Proceeds from Sublicensing.

 3.2.1 Royalty from Sublicensing. COMPANY will pay to UNIVERSITY, for sales of Licensed Products or Licensed Services by Third Party sublicensees, an amount of revenue equal to the amount UNIVERSITY would have received from COMPANY if COMPANY had sold such Licensed Product or Licensed Service according to Article 3.1.2 above. COMPANY shall also have the option, at its discretion, to have the amount paid for sales by sublicensees under this Article 3.2.1 made directly to UNIVERSITY by said sublicensees. For purposes of clarity, payments made to UNIVERSITY under this Article 3.2.1 shall be the sole payment due UNIVERSITY for sales by Third Party sublicensees, and no additional royalty payment under Article 3.1.2 shall be due for any such sale.

3.2.2 Net Accrued Licensing Revenue from Sublicensing. COMPANY shall pay to UNIVERSITY a [Sublicensing Percentage] share of any Net Accrued Licensing Revenue obtained by COMPANY during the Term of this Agreement.

3.3 Auditing. COMPANY agrees to keep records for a period of three (3) years showing revenues attributable to this Agreement in sufficient detail to enable the royalties or other payments payable hereunder to be determined. Upon request by UNIVERSITY, COMPANY further agrees to permit its books and records to be examined no more than once per calendar year by an independent certified public accountant selected by UNIVERSITY, and reasonably acceptable by COMPANY, for the purpose of verifying the accuracy of payments made by COMPANY to UNIVERSITY under this Agreement. The examination of COMPANY’s records shall be conducted during normal business hours upon reasonable notice by UNIVERSITY. Prior to being provided access to COMPANY’s records, said independent certified public accountant shall execute a confidentiality agreement acceptable to COMPANY to protect its confidential information. Such examination is to be made at UNIVERSITY’s expense, except in the event that the results of the audit reveal that royalties have been underpaid by five percent (5%) or more for the period under audit, in which case the reasonable fees for the audit shall be paid by COMPANY.

3.4 Payment Format. All amounts owing to UNIVERSITY under this Agreement shall be paid in U.S. dollars, by check or other instrument representing immediately available funds payable to “Southern Illinois University”. If COMPANY or any Third Party sublicensee receives payment in a currency other than U.S. dollars, such currency will be converted directly from the currency in the country of sales origin to U.S. dollars on the date initial payment was made, without intermediate conversions, and payments will be made based on such conversion. All foreign and domestic tax, tariff, fee, or other applicable obligations must be satisfied by COMPANY with respect to payments made to UNIVERSITY; i.e. UNIVERSITY will not be responsible for satisfying any such obligations on behalf of COMPANY upon receipt of payment.

3.5 Reporting Requirements. No later than March 1 following the calendar year ending December 31, COMPANY shall deliver to UNIVERSITY a true and accurate report providing information covering the preceding twelve (12) calendar months ending December 31, even if no payments are due UNIVERSITY. This report shall contain, at a minimum, information as is pertinent to calculating payments due hereunder, the development status of the Licensed IP, and a description of the commercialization efforts carried out during the reporting period.

ARTICLE 4. IMPROVEMENTS AND EXTENSIONS

4.1 UNIVERSITY may from time to time make and/or acquire Improvements. Any such Improvements will be promptly disclosed to COMPANY. If COMPANY desires to acquire rights in Improvements, the UNIVERSITY agrees to negotiate in good faith a license with COMPANY. If an agreement cannot be consummated within six (6) months from notice to COMPANY, UNIVERSITY shall have the right to offer intellectual property rights in Improvements to Third Parties.

4.2 The Parties agree to cooperate in seeking potential extensions of the term of one or more of the Licensed Patents in the Territory, including without limitation extension of one or more of United States Patent Nos. [Patent Numbers] and other patents resulting from any continuation, continuation-in-part, divisional, or reissue patent application or patent thereafter pursuant to 35 U.S.C. 156. UNIVERSITY agrees to initiate such action at the request of COMPANY, either in its own name or jointly with COMPANY, as agreed upon by the Parties. COMPANY shall have the right to select counsel for such extension, at its expense, and shall have the right to control the extension process. COMPANY shall provide UNIVERSITY with copies of all official actions and Party filings in the extension proceedings within fifteen (15) days of receiving or filing such correspondence. UNIVERSITY shall have the right to comment upon such official actions and suggest responses and strategies to COMPANY for the extension proceedings. COMPANY agrees to consider in good faith any such UNIVERSITY comments, and to include them to the extent practicable.

ARTICLE 5. REPRESENTATIONS AND WARRANTIES

5.1 UNIVERSITY represents and warrants as follows:

5.1.1 That UNIVERSITY, to the best of UNIVERSITY’s knowledge, is the exclusive owner of the entire right, title and interest in and to the Licensed Patents and that UNIVERSITY has full legal right, authority and power to enter into this Agreement and to grant the exclusive license to COMPANY as set forth herein;

5.1.2 That UNIVERSITY is not aware of any existing or threatened litigation concerning the Licensed Patents;

5.1.3 That UNIVERSITY has not granted nor will it grant any licenses under the Licensed IP that would be in conflict with the rights granted in this Agreement; and

5.1.4 That to the best knowledge of UNIVERSITY each of the Licensed Patents is valid and enforceable.

5.1.5 UNIVERSITY has the corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder, and the execution, delivery and performance of this Agreement have been validly authorized by UNIVERSITY.

5.1.6 UNIVERSITY will use commercially reasonable efforts to maintain in effect all Licensed Patents, and will provide reasonable assistance to COMPANY in maintaining and/or extending the term of each of the Licensed Patents.

5.1.7 UNIVERSITY shall promptly notify COMPANY of any claim of infringement or misappropriation relating to the Licensed Patents.

5.2 Except as expressly set forth in this Agreement, UNIVERSITY MAKES NO REPRESENTATIONS NOR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF LICENSED PRODUCT OR LICENSED TECHNOLOGY WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS OF THIRD PARTIES.

5.3 COMPANY represents and warrants as follows:

5.3.1 That COMPANY has the full legal right, authority and power to enter into this Agreement;

5.3.2 That COMPANY shall promptly notify UNIVERSITY of any claim of infringement or misappropriation relating to the Licensed Patents;

5.3.3 That the execution, delivery, and performance of this Agreement do not conflict with any law or regulation or constitute a default under any contractual obligation to which COMPANY is subject; and

5.3.4 That COMPANY will cooperate with UNIVERSITY for the protection of UNIVERSITY’s rights in the Licensed Patents and will furnish UNIVERSITY with any information that it may require, within reason, in protecting the Licensed Patents.

ARTICLE 6. LIABILITY

6.1 Indemnification. COMPANY agrees to indemnify, hold harmless, and defend UNIVERSITY and its respective trustees, officers, employees, students, and agents against any liability, damage, loss or expense (including reasonable attorneys’ fees and expenses of litigation) arising from any and all claims for death, illness, personal injury, property damage, and improper business practices arising out of the sale or use of Licensed Products by COMPANY and/or its Affiliates or sublicensees, or the performance of Licensed Services by COMPANY and/or its Affiliates or sublicensees whether grounded in tort (including negligence), strict liability, contract or otherwise, except to the extent that such claims for death, illness, personal injury, property damage, or improper business practices arises out of or results from the gross negligence or willful misconduct of UNIVERSITY or its respective trustees, officers, employees, students, and agents, either collectively or individually.

6.2 COMPANY shall maintain the following insurance coverage:

6.2.1 commercial general liability insurance with limits of $1,000,000 per occurrence and a $3,000,000 general aggregate commencing no later than the Effective Date of this Agreement and terminating no less than two (2) years following the last date of commercial activity associated with a Licensed Product or Licensed Service;

6.2.2 products liability and completed operations liability coverage with limits of at least $1,000,000 per occurrence and a $3,000,000 general aggregate for the period commencing three (3) months prior to and continuing throughout, the time period during which any product trials or testing are conducted and ending upon the market approval, sale, offer for sale, or other commercial activity related to the Licensed Product being used by a Third Party;

6.2.3 products liability and completed operations liability coverage with limits of at least $5,000,000 per occurrence and a $10,000,000 general aggregate for the period commencing upon the market approval, sale, offer for sale, or other commercial activity related to the Licensed Product being used by a Third Party and expiring no less than two (2) years after all such market activity has ceased;

6.2.4 professional liability coverage with limits of at least $1,000,000 per occurrence and a $3,000,000 general aggregate commencing no later than the Effective Date of this Agreement and terminating no less than two (2) years following the last date of commercial activity associated with a Licensed Product or Licensed Service, if professional services or advice are to be provided by COMPANY; and

6.2.5 workers compensation coverage with limits of at least those required by applicable law and employer liability coverage with limits of at least $500,000 per occurrence (if required by applicable law).

Except as otherwise stated hereinabove the aforementioned policies of insurance shall remain in full force and effect for the entire Term of this Agreement and for two (2) years after the activities described herein cease. The insurance shall be obtained from an insurance company with a B+:VI or better rating in the current editions of Best’s Key Rating Guide to cover all claims, liability, expenses, damages, and costs due to injury to persons or damage to property arising or resulting from Licensed Products or Licensed Technology made, used, sold, or imported worldwide by COMPANY, its affiliates, or its sublicensees pursuant to this Agreement. If a policy required under this Article 6.2 is written on a claims-made basis and that policy is not replaced or renewed, or if that policy is cancelled, COMPANY agrees to purchase an extended reporting endorsement of not less than two years or purchase prior acts coverage with a retroactive date that coincides with or precedes expiration of the prior policy to assure coverage for unreported events. COMPANY shall include UNIVERSITY as a named insured on all insurance policies except workers compensation. COMPANY shall furnish an original Certificate of Insurance evidencing the required coverage to be in force on the date of this Agreement. The receipt of any certificate does not constitute an agreement by UNIVERSITY that insurance requirements have been met. Failure of UNIVERSITY to obtain certificates or other insurance evidence from COMPANY shall not be deemed a waiver by UNIVERSITY. The insurance obtained by COMPANY shall cover activities in the United States and throughout the world. COMPANY shall provide UNIVERSITY with thirty (30) days’ notice of any cancellation or material change to any insurance policy described above.

6.3 Limitation of Liability. EXCEPT FOR RESPECTIVE OBLIGATIONS SET FORTH IN ARTICLE 6.1, AND EXCEPT FOR ANY LOSS, LIABILITY, DAMAGE OR OBLIGATION ARISING OUT OF THE WILLFUL FAILURE OF ANY PARTY TO TIMELY PAY ANY AMOUNTS DUE UNDER THIS AGREEMENT, IN NO EVENT SHALL ANY PARTY HAVE ANY LIABILITY TO THE OTHER PARTY FOR ANY DEVELOPMENT COSTS, LOST OPPORTUNITY OR PROFITS, COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES ARISING OUT OF THIS AGREEMENT, UNDER ANY CAUSE OF ACTION OR THEORY OF LIABILITY (INCLUDING NEGLIGENCE), AND WHETHER OR NOT SUCH PARTY TO THIS AGREEMENT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF CERTAIN LIABILITIES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO THE EXTENT SUCH LIMITATION IS SO PROHIBITED.

ARTICLE 7. INTELLECTUAL PROPERTY INFRINGEMENT

7.1 In the event that COMPANY or its Affiliates or sublicensees becomes aware that a Third Party is infringing a Licensed Patent, COMPANY will promptly notify UNIVERSITY in writing of such alleged infringement. In the event that UNIVERSITY becomes aware that a Third Party is infringing a Licensed Patent, UNIVERSITY will promptly notify COMPANY in writing of such alleged infringement. If a Third Party alleges or asserts that one or more claims of a Licensed Patent is invalid or unenforceable, UNIVERSITY will promptly notify COMPANY in writing of such event. Similarly, if COMPANY, or its Affiliates or its sublicensees becomes aware that a Third Party alleges or asserts that one or more claims of a Licensed Patent is invalid or unenforceable, COMPANY shall promptly notify UNIVERSITY in writing of such event.

7.2 COMPANY shall have the right, but not the duty, to initiate and control any legal action for infringement of a Licensed Patent, either in its own name or jointly with UNIVERSITY, if UNIVERSITY’s joinder is required as a matter of law in order to enforce a Licensed Patent, and UNIVERSITY agrees to provide reasonable assistance, at the expense of COMPANY, to allow COMPANY to initiate and prosecute such legal action. UNIVERSITY shall enjoy a continuing right to intervene in such legal action in order to protect its own interest if a declaratory judgment action alleging invalidity or non-infringement of a patent within the Licensed Patents is raised by a Third Party.

7.2.1 If COMPANY elects to initiate legal action for patent infringement, UNIVERSITY shall have the right to participate in such litigation using counsel of its choice at its own expense. COMPANY will consult with UNIVERSITY throughout the litigation as to its course of action with respect thereto and will not enter into any settlement agreement with a Third Party without first obtaining UNIVERSITY’s written consent, which shall not be unreasonably withheld. All damages recovered shall first be used to reimburse COMPANY for its expenses in connection with such legal action, and the remainder of such damages shall be shared, with eighty percent (80%) going to COMPANY and twenty percent (20%) going to UNIVERSITY.

7.2.2 If COMPANY elects not to institute legal action for patent infringement, UNIVERSITY shall thereafter have the right to initiate and control any legal action for infringement of a Licensed Patent, and COMPANY agrees to provide reasonable assistance, at the expense of UNIVERSITY, to allow UNIVERSITY to initiate and prosecute such legal action. If UNIVERSITY elects to institute legal action under this Article 7.2.2 for patent infringement, COMPANY shall have the right to participate in such litigation using counsel of its choice at its own expense. UNIVERSITY shall consult with COMPANY throughout the litigation as to its course of action with respect thereto and will not enter into any settlement agreement with a Third Party without first obtaining COMPANY’s written consent, which shall not be unreasonably withheld. All damages recovered shall first be used to reimburse UNIVERSITY for its expenses in connection with such legal action, and the remainder of such damages shall be shared, with eighty percent (80%) going to UNIVERSITY and twenty percent (20%) going to COMPANY.

7.3 COMPANY shall have the right to be represented in any action that may affect or impact its use of the Licensed IP in the Territory and the Field of Use by counsel of its own selection and at its own expense.

ARTICLE 8. INVALIDITY FINDING

8.1 If, during the Term, as a result of any litigation or re-examination or reissue proceeding involving one or more Licensed Patents in a country in the Territory, all claims of all Licensed Patents in such country are declared to be finally invalid or unenforceable in said country, no further payments shall be due to UNIVERSITY for Licensed Products manufactured, caused to be manufactured, sold, offered for sale, used, imported into, or exported from such country, where such payment was solely based upon the Licensed Patents in such country. Notwithstanding the foregoing, such final declaration of invalidity or unenforceability shall not operate to extinguish any obligation of COMPANY to pay UNIVERSITY royalties or proceeds from sublicensing otherwise payable under Articles 3.1.2 or 3.2 for Licensed Products manufactured, caused to be manufactured, sold, offered for sale, used, imported into, or exported from a country other than the county or countries in which the Licensed Patents are subject to a final judgment or decree of invalidity or unenforceability.

8.2 If COMPANY or any of its Affiliates or sublicensees challenges, directly or indirectly, in whole or in part, the validity of the Licensed Patents, before or with any body, jurisdiction or authority, whether of judicial and/or administrative nature, the royalty due to UNIVERSITY under Article 3.1.2 shall increase by [Rate Increase] to [Final Rate] on Net Sales of Licensed Products and Licensed Services. In the event that the invalidity challenge is ultimately unsuccessful and the Licensed Patents are held to be at least partially not invalid such that the royalty obligations of Article 3.1.2 are still in effect, COMPANY or its Affiliates or sublicensees as appropriate, shall be responsible for reimbursement of UNIVERSITY’s out of pocket attorney fees related to UNIVERSITY’s participation in the invalidity proceedings.

ARTICLE 9. PATENT-RELATED COSTS

9.1 The prosecution of any application to obtain a Licensed Patent for an Improvement shall be controlled by UNIVERSITY, provided, however, that UNIVERSITY shall, during the Term: (i) confer with COMPANY in regards to the patent prosecution process; (ii) give COMPANY reasonable prior opportunity to comment on all prosecution decisions and drafting involving the application for a Licensed Patent for the Improvement; and (iii) accept all reasonable comments, changes and strategies offered by COMPANY to the maximum extent practicable.

9.2 UNIVERSITY shall give COMPANY written notice within ten (10) days if any Licensed Patent becomes the subject of a patent office proceeding, including but not limited to any proceeding relating to inventorship or validity. Such notice shall be accompanied by a copy of all documents related to such proceeding. UNIVERSITY agrees to meet with COMPANY within fourteen (14) days following the date of such notice to discuss the patent office proceeding and its potential effect, if any, on the Licensed Patent.

9.3 COMPANY shall reimburse UNIVERSITY for all past expenses related to the Licensed Patents accrued and received by UNIVERSITY prior to the Effective Date, which currently amount to a total of [Past Patent Costs].

Upon submission by UNIVERSITY of invoices associated with the expenses and fees actually incurred by UNIVERSITY in connection with obtaining and/or maintaining Licensed Patents after the Effective Date and during the Term, including without limitation any expenses actually incurred by UNIVERSITY for drafting, filing, prosecution, and maintenance of any Licensed Patent, COMPANY shall reimburse actual, reasonable, out-of-pocket expenses and fees associated therewith. Failure to reimburse UNIVERSITY within thirty (30) days of receipt of invoices by COMPANY shall result in a penalty of five percent (5%) of the amount owed and shall be compounded monthly. Failure to reimburse UNIVERSITY within sixty (60) days of receipt of invoices by COMPANY shall constitute a material breach of this Agreement by COMPANY.

ARTICLE 10. CONFIDENTIAL INFORMATION

10.1 Confidential Obligations.

10.1.1 Neither Party shall, directly or indirectly, deal with, use, exploit or disclose Confidential Information of the other Party to any person or entity for any purpose except as described or permitted herein or unless and until expressly authorized in writing to do so by the other Party.

10.1.2 Each Party may disclose the Confidential Information only to those employees and agents who shall have a need to know the Confidential Information for the purpose of the activities contemplated by this Agreement. Each Party shall, prior to disclosing the Confidential Information or portion thereof to such designated employees or agents issue appropriate instructions to them to satisfy the obligations herein and obtain their agreement to receive and use the Confidential Information as confidential and subject to non-disclosure on the same conditions as contained herein.

10.2 Exceptions to Obligations. A Party shall not be liable for disclosure of the Confidential Information or any portion thereof upon the occurrence of one or more of the following events:

10.2.1 the Confidential Information or any portion thereof is or becomes publicly available, other than through a breach of this Agreement;

10.2.2 the Confidential Information or any portion thereof is subsequently lawfully obtained by a Party from a Third Party or parties without breach of this Agreement by such Party as shown by documentation sufficient to establish the Third Party as a source of the Confidential Information;

10.2.3 the Confidential Information or any portion thereof was known to a Party prior to its disclosure by the other Party as shown by documentation kept in the ordinary course of business sufficient to establish such knowledge;

10.2.4 a Party has provided its prior written consent for such disclosure;

10.2.5 the Confidential Information is required to be disclosed by law, regulation or legal process; provided that the other Party shall be advised as to the nature of the information to be disclosed notified prior to such disclosure to enable it to seek a protective order or other appropriate remedy to prevent such disclosure;

10.2.6 the Confidential Information is independently developed by a Party, as shown by written documentation kept in the ordinary course of business.

10.3 Term of Confidential Obligations. The obligations of confidentiality shall survive the expiration or earlier termination of this Agreement for a period of five (5) years.

10.4 Return of Confidential Information. Each Party shall, upon request of the other Party, return all Confidential Information and copies thereof or shall destroy such Confidential Information and copies as directed by a Party; provided that COMPANY may retain a copy of all Confidential Information disclosed to COMPANY pursuant to this Agreement for the duration of this Agreement for archival purposes and UNIVERSITY may retain all Confidential Information disclosed to UNIVERSITY for use outside the Field of Use in perpetuity.

ARTICLE 11. TERM AND TERMINATION

 11.1 Unless otherwise terminated earlier as provided herein under Article 11.2.1 or Article 11.2.2, the term of this Agreement (the “Term”) shall commence on the Effective Date of this Agreement and shall terminate upon the Expiration Date.

11.2 Notwithstanding any other provisions herein to the contrary, this Agreement may be terminated as follows:

11.2.1 For Breach. In addition to and notwithstanding the termination rights stated elsewhere in this Agreement, this Agreement may be terminated in the event a breaching party fails to cure a breach of this Agreement within ninety (90) days of its receipt of written notice thereof from the other Party.

11.2.2 Termination for Insolvency of COMPANY. UNIVERSITY may terminate this Agreement immediately upon delivery of written notice to COMPANY: (i) upon the institution by or against COMPANY of insolvency, receivership or bankruptcy proceedings; (ii) upon COMPANY making an assignment for the benefit of creditors; or (iii) upon COMPANY’s dissolution or ceasing to do business.

11.2.3 Effect of Termination. Any termination under this Article 11.2 shall not absolve COMPANY from financial obligations owed to UNIVERSITY under this Agreement.

11.3 Survival. The obligations of Articles 5, 6, 10 and 12, including without limitation all representations and warranties as provided in Article 5.3, shall survive expiration or termination of this Agreement.

ARTICLE 12. GOVERNING LAW

12.1 This Agreement, and any dispute arising thereunder, shall be governed by and construed under the laws of the State of Illinois, without regard to the conflict of laws provisions thereof. The Parties agree that the jurisdiction and venue for any legal controversy arising hereunder shall lie exclusively in a court of competent jurisdiction sitting within the State of Illinois. All claims against SIU arising from this Agreement are subject to the Illinois Court of Claims Act and the exclusive jurisdiction of the Illinois Court of Claims.

ARTICLE 13. NOTICES

13.1 Any notices or communications required or permitted to be given by this Agreement must be (i) given in writing and (ii) personally delivered or mailed, by prepaid, certified mail or overnight courier, or transmitted by facsimile or electronic mail transmission (including PDF), to the Party to whom such notice or communication is directed, to the mailing address or regularly-monitored electronic mail address of such Party as follows:

13.1.1 To UNIVERSITY:

Attention: Director

 Office of Technology Transfer

 SIU School of Medicine

 913 North Rutledge Street

 P.O. Box 19631

 Springfield, IL 62794-9631

 Telephone: (217) 545-8168

 Email: rpatino@siumed.edu

13.1.2 To COMPANY:

Attention: [Company Contact]

 [Company Name]

 [Street Address]

 [City, State, Zip Code]

 Telephone: [Phone Number]

 Fax: [Fax Number]

 Email: [Email Address]

13.2 Any such notice or communication shall be deemed to have been given on (i) the day such notice or communication is personally delivered, (ii) three (3) days after such notice or communication is mailed by prepaid certified or registered mail, (iii) one (1) working day after such notice or communication is sent by overnight courier, or (iv) the day such notice or communication is faxed or sent electronically, provided that the sender has received a confirmation of such fax or electronic transmission. A Party may, for purposes of this Agreement, change his, her or its address, fax number, email address or the person to whom a notice or other communication is marked to the attention of, by giving notice of such change to the other Party pursuant to this Article.  For purposes of this Article a “regularly monitored electronic mail address” shall include the email address provided for each Party hereinabove.

ARTICLE 14. MISCELLANEOUS

14.1 Complete Agreement. This Agreement, including any appendices, exhibits, or schedules hereto, constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all prior written and oral agreements, understandings and negotiations with regard to the subject matter hereof.

14.2 Amendment. This Agreement, including this provision, may not be amended except by a written instrument signed by duly authorized representatives of both Parties.

14.3 Partial Invalidity. If any of the provisions of this Agreement shall be found to be invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire agreement, but rather the entire Agreement shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and the rights and obligations of the Party shall be construed and enforced accordingly. The Parties agree to negotiate in good faith respecting any term held invalid in an effort to give the most approximate effect intended by the Parties.

14.4 Compliance with Laws. In performing this Agreement, each Party shall comply with all applicable laws and government regulations at all times.

14.4.1 Export Controls. COMPANY agrees to strictly comply, and shall require its Affiliates and sublicensees to strictly comply, with any and all applicable United States export control and trade laws and regulations, including but not limited to the U.S. Department of Commerce’s Export Administration Regulations and the regulations administered by the Office of Foreign Assets Control. COMPANY hereby gives written assurance that it will comply with, and will cause its sublicensees/Affiliates to comply with all United States export control laws and regulations, that it bears sole responsibility for any violation of such laws and regulations by itself or its sublicensees/Affiliates, and that it will indemnify, defend and hold UNIVERSITY harmless for the consequences of any such violation. COMPANY will not disclose export controlled items or information unless and until a plan for the transfer, use, dissemination and control of the items or information has been approved by UNIVERSITY’S Export Control Director.

14.5 Headings. The Article and section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14.6 Force Majeure. No Party shall be considered in default of performance of its obligations under this Agreement to the extent that performance of such obligations is delayed by force majeure or contingencies or causes beyond the reasonable control of such Party or its suppliers, including but not limited to strike, fire, flood, earthquake, windstorm, governmental acts or orders or restrictions, failure of suppliers, or any other reason to the extent that the failure to perform is beyond the reasonable control and not caused by the negligence or willful misconduct of the non-performing Party.

14.7 Nonassignability and Binding Effect. Neither Party shall assign or transfer this Agreement or any rights or obligations hereunder (whether by operation of law or otherwise) without the prior written consent of the other Party, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, either Party may assign or transfer this Agreement upon thirty (30) day advance written notice to the other Party in connection with: (i) an assignment or transfer of this Agreement by either Party to its Affiliate(s); (ii) the merger of a Party with or into another entity; (iii) the sale of a Party’s stock to a Third Party in a single transaction or a series of related transactions, where that Party’s shareholders immediately prior to such merger or sale do not own at least fifty percent (50%) of the voting stock of the surviving entity after such transaction; or (iv) a transfer of all or substantially all of the assets of a Party pertaining to the Licensed Patents. Any attempted assignment contrary to the provisions of this Article 14.7 shall be null and void.

14.8 No Waiver. No waiver of any term or condition of this Agreement shall be valid or binding on any Party unless agreed in writing by the Party to be charged with waiver. The failure of any Party to enforce at any time any of the provisions of this Agreement, or the failure to require at any time performance by the other Party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the right of any Party to enforce each and every such provision thereafter.

14.9 Independent Contractors. The Parties to this Agreement are independent contractors. There is no relationship of agency, partnership, joint venture, employment or franchise between the Parties, and no Party shall have any authority to bind the other Party or incur any obligation on the other Party’s behalf.

14.10 Public Relations and Announcements. Except as otherwise required by law, no Party shall issue a press release or any other published statement that refers to another Party or the other Party’s products without first obtaining the agreement of such other Party as to the form and content of the statement, which approval shall be timely and not unreasonably withheld.

14.11 Counterparts and Electronic Signature.  This Agreement may be executed in multiple counterparts by the Parties hereto.  All counterparts so executed shall constitute one agreement binding upon all Parties, notwithstanding that all Parties are not signatories to the original or the same counterpart.  Each counterpart shall be deemed an original to this Agreement, all of which shall constitute one agreement to be valid as of the date of this Agreement.  Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the Effective Date.

|  |  |
| --- | --- |
| [Company Name] (“COMPANY”)By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [Signing Official Name]Title: [Signing Official Title]Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | BOARD OF TRUSTEES OF SOUTHERN ILLINOIS UNIVERSITY (“UNIVERSITY”)By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Name: [Signing Official Name]Title: [Signing Official Title]Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**Exhibit A**

**Licensed Patents**

1. [Patent Application Title]

[Type of Application] Patent Application Serial number: [Serial Number]

Filed: [Filing Date]

1. [Patent Application Title]

[Type of Application] Patent Application Serial number: [Serial Number]

Filed: [Filing Date]

1. [Patent Application Title]

[Type of Application] Patent Application Serial number: [Serial Number]

Filed: [Filing Date]

1. [Patent Title]

Issued Patent number: [Serial Number]

Issued: [Issuance Date]

1. [Patent Title]

Issued Patent number: [Serial Number]

Issued: [Issuance Date]

1. [Patent Title]

Issued Patent number: [Serial Number]

Issued: [Issuance Date]