EXCLUSIVE PATENT LICENSE AGREEMENT

 This Exclusive License Agreement (“AGREEMENT”) is made as of \_\_\_\_\_\_\_\_\_\_ (“EFFECTIVE DATE”), by and between \_\_\_\_\_\_\_\_\_\_\_\_, a \_\_\_\_\_\_\_\_\_ corporation, with a principal place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“COMPANY”) and Wright State University, a state institution of higher education in Ohio, located at 3640 Colonel Glenn Highway, Dayton, Ohio 45435 ("WSU"), each referred to herein individually as a “PARTY” and collectively as the “PARTIES.”

RECITALS

 WSU owns certain intellectual property relating to WSU Invention Case No. \_\_\_\_\_\_\_, “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_” by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, and WSU is willing to grant a license to COMPANY to have the intellectual property developed and commercialized.

 COMPANY has represented to WSU, to induce WSU to enter into this AGREEMENT, that COMPANY shall commit itself to a thorough, vigorous and diligent effort of commercializing such intellectual property.

 For good and valuable consideration, the PARTIES hereby agrees as follows:

1. DEFINITIONS

1.1 "AFFILIATE" shall mean any legal entity (including, but not limited to, a corporation, partnership, or limited liability company) that is controlled by COMPANY. For the purposes of this definition, the term "control" means (i) beneficial ownership of at least fifty percent (50%) of the voting securities of a corporation or other business organization with voting securities or (ii) a fifty percent (50%) or greater interest in the net assets or profits of a partnership or other business organization without voting securities.

1.2 "EXCLUSIVE PERIOD" shall mean the period of time set forth in Section 2.2.

1.3 "FIELD" shall mean [definition of field].

1.4 "LICENSED PRODUCT" shall mean any product that, in whole or in part:

(i) absent the license granted hereunder, would infringe one or more claims of the PATENT RIGHTS; or

(ii) is manufactured by using a LICENSED PROCESS or that, when used, practices a LICENSED PROCESS.

1.5 "LICENSED PROCESS" shall mean any process that, absent the license granted hereunder, would infringe one or more claims of the PATENT RIGHTS or which uses a LICENSED PRODUCT.

1.6 "NET SALES" shall mean the gross amount billed by COMPANY and its AFFILIATES and SUBLICENSEES for LICENSED PRODUCTS and LICENSED PROCESSES, less the following:

(i) customary trade, quantity, or cash discounts to the extent actually allowed and taken;

(ii) amounts repaid or credited by reason of rejection or return;

(iii) to the extent separately stated on purchase orders, invoices, or other documents of sale, any taxes or other governmental charges levied on the production, sale, transportation, delivery, or use of a LICENSED PRODUCT or LICENSED PROCESS which is paid by or on behalf of COMPANY;

(iv) outbound transportation costs prepaid or allowed and costs of insurance in transit; and

(v) gross revenue received by Company from WSU for LICENSED PRODUCTS and LICENSED PROCESSES.

No deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by COMPANY and on its payroll, or for cost of collections. NET SALES shall occur on the date of billing for a LICENSED PRODUCT or LICENSED PROCESS. If a LICENSED PRODUCT or a LICENSED PROCESS is distributed at a discounted price that is substantially lower than the customary price charged by COMPANY, or distributed for non-cash consideration (whether or not at a discount), NET SALES shall be calculated based on the non-discounted amount of the LICENSED PRODUCT or LICENSED PROCESS charged to an independent third party during the same REPORTING PERIOD or, in the absence of such sales, on the fair market value of the LICENSED PRODUCT or LICENSED PROCESS.

Non-monetary consideration shall not be accepted by COMPANY, any AFFILIATE, or any SUBLICENSEE for any LICENSED PRODUCTS or LICENSED PROCESSES without the prior written consent of WSU

1.7 “PATENT CHALLENGE” shall mean a challenge to the validity, patentability, enforceability and/or non-infringement of any of the PATENT RIGHTS (as defined below) or otherwise opposing any of the PATENT RIGHTS.

1.8 "PATENT RIGHTS" shall mean:

(a) the United States and international patents listed on Appendix A;

(b) the United States and international patent applications and/or provisional applications listed on Appendix A and the resulting patents;

(c) any patent applications resulting from the provisional applications listed on Appendix A, and any divisionals, continuations, [continuation-in-part applications], and continued prosecution applications (and their relevant international equivalents) of the patent applications listed on Appendix A and of such patent applications that result from the provisional applications listed on Appendix A, to the extent the claims are directed to subject matter specifically described in the patent applications listed on Appendix A, and the resulting patents;

(d) any patents resulting from reissues, reexaminations, or extensions (and their relevant international equivalents) of the patents described in (a), (b), and (c) above; and

(e) international (non-United States) patent applications and provisional applications filed after the EFFECTIVE DATE and the relevant international equivalents to divisionals, continuations, continuation-in-part applications and continued prosecution applications of the patent applications to the extent the claims are directed to subject matter specifically described in the patents or patent applications referred to in (a), (b), (c), and (d) above, and the resulting patents.

1.9 "REPORTING PERIOD" shall begin on the first day of each calendar quarter and end on the last day of such calendar quarter.

1.10 "SUBLICENSE INCOME" shall mean any payments that COMPANY receives from a SUBLICENSEE in consideration of the sublicense of the rights granted COMPANY under Section 2.1, including without limitation license fees, milestone payments, license maintenance fees, and other payments, but specifically excluding royalties on NET SALES.

1.11 "SUBLICENSEE" shall mean any non-AFFILIATE sublicensee of the rights granted COMPANY under Section 2.1.

1.12 "TERM" shall mean the term of this Agreement, which shall commence on the EFFECTIVE DATE and shall remain in effect until the expiration or abandonment of all issued patents and filed patent applications within the PATENT RIGHTS, unless earlier terminated in accordance with the provisions of this Agreement.

1.13 "TERRITORY" shall mean [fill-in territory or world-wide.]

1. GRANT OF RIGHTS

2.1 License Grants. Subject to the terms of this Agreement, WSU hereby grants to COMPANY and its AFFILIATES for the TERM a royalty-bearing license under WSU’s rights in PATENT RIGHTS to develop, make, have made, use, sell, offer to sell, lease, and import LICENSED PRODUCTS in the FIELD in the TERRITORY and to develop and perform LICENSED PROCESSES in the FIELD in the TERRITORY.

2.2 Exclusivity. In order to establish an exclusive period for COMPANY, WSU agrees that it shall not grant any other license under the PATENT RIGHTS to make, have made, use, sell, lease and import LICENSED PRODUCTS in the FIELD in the TERRITORY or to perform LICENSED PROCESSES in the FIELD in the TERRITORY during the period of time commencing on the EFFECTIVE DATE and terminating with the first to occur of:

(i) the expiration of \_\_\_\_\_(\_\_) years after the first accrual of NET SALES or SUBLICENSE INCOME for a LICENSED PRODUCT or LICENSED PROCESS; or

(ii) the expiration of \_\_\_\_\_(\_\_) years after the EFFECTIVE DATE ("EXCLUSIVE PERIOD").

Upon expiration of the EXCLUSIVE PERIOD, the license granted hereunder shall become nonexclusive and shall extend to the end of the TERM, unless sooner terminated as provided in this Agreement.

2.3 Sublicenses. COMPANY shall have the right to grant sublicenses of its rights under Section 2.1 only during the EXCLUSIVE PERIOD. Such sublicenses may extend past the expiration date of the EXCLUSIVE PERIOD, but any exclusivity of such sublicense shall expire upon the expiration of the EXCLUSIVE PERIOD. COMPANY shall incorporate terms and conditions into its sublicense agreements sufficient to enable COMPANY to comply with this Agreement. COMPANY shall also include provisions in all sublicenses to provide that in the event that SUBLICENSEE brings a PATENT CHALLENGE against WSU or assists another party in bringing a PATENT CHALLENGE against WSU (except as required under a court order or subpoena) then COMPANY may terminate the sublicense. COMPANY shall promptly furnish WSU with a fully signed photocopy of any sublicense agreement. Upon termination of this Agreement for any reason, any SUBLICENSEE not then in default shall have the right to seek a license from WSU. WSU agrees to negotiate such licenses in good faith under reasonable terms and conditions.

2.4 U.S. Manufacturing. COMPANY agrees that any LICENSED PRODUCTS used or sold in the United States will be manufactured substantially in the United States.

2.5 Retained Rights.

(a) Research and Educational Use. WSU retains the right on behalf of itself and all other non-profit research institutions to practice under the PATENT RIGHTS for research, teaching, and educational purposes.

(b) Federal Government. COMPANY acknowledges that the U.S. federal government retains a royalty-free, non-exclusive, non-transferable license to practice any government-funded invention claimed in any PATENT RIGHTS as set forth in 35 U.S.C. §§ 201-211, and the regulations promulgated thereunder, as amended, or any successor statutes or regulations.

2.6 No Additional Rights. Nothing in this Agreement shall be construed to confer any rights upon COMPANY by implication, estoppel, or otherwise as to any technology or patent rights of WSU or any other entity other than the PATENT RIGHTS, regardless of whether such technology or patent rights shall be dominant or subordinate to any PATENT RIGHTS.

1. DUE DILIGENCE OBLIGATIONS

3.1 Diligence Requirements. COMPANY shall use diligent efforts, or shall cause its AFFILIATES to use diligent efforts, to develop LICENSED PRODUCTS or LICENSED PROCESSES and to introduce LICENSED PRODUCTS or LICENSED PROCESSES into the commercial market; thereafter, COMPANY or its AFFILIATES shall make LICENSED PRODUCTS or LICENSED PROCESSES reasonably available to the public. Specifically, COMPANY or AFFILIATE shall fulfill the following obligations:

(a) Within \_\_\_\_\_ months after the EFFECTIVE DATE, COMPANY shall furnish WSU with a written research and development plan describing the major tasks to be achieved in order to bring to market a LICENSED PRODUCT or a LICENSED PROCESS, specifying the number of staff and other resources to be devoted to such commercialization effort. An example is provided in Appendix C.

(b) Within sixty (60) days after the end of each calendar year, COMPANY shall furnish WSU with a written report (consistent with Section 5.1(a)) on the progress of its efforts during the immediately preceding calendar year to develop and commercialize LICENSED PRODUCTS or LICENSED PROCESSES. The report shall also contain a discussion of intended efforts and sales projections for the year in which the report is submitted. An example is provided in Appendix C.

(c) COMPANY shall develop a working model on or before \_\_\_\_\_\_\_\_\_\_, 201\_\_\_, and permit an in-plant inspection by WSU on or before \_\_\_\_\_\_\_\_\_\_, 201\_\_\_, and thereafter permit in-plant inspections by WSU at regular intervals with at least \_\_\_\_\_\_ ( ) months between each such inspection.

(d) COMPANY shall make a first commercial sale of a LICENSED PRODUCT and/or a first commercial performance of a LICENSED PROCESS on or before \_\_\_\_\_\_\_\_, 201\_\_\_.

(e) COMPANY shall make NET SALES according to the following schedule:

\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_;

\_\_\_\_\_ $\_\_\_\_\_\_\_\_\_;

\_\_\_\_\_ and each year thereafter $\_\_\_\_\_\_\_\_\_.

(f) COMPANY shall sell the following numbers of LICENSED PRODUCTS according to the following schedule:

200\_\_\_ \_\_\_\_\_\_\_\_\_ units;

200\_\_\_ \_\_\_\_\_\_\_\_\_ units;

200\_\_\_ and each year thereafter \_\_\_\_\_\_\_\_\_ units.

In the event that WSU determines that COMPANY (or an AFFILIATE) has failed to fulfill any of its obligations under this Section 3.1, then WSU may treat such failure as a material breach in accordance with Section 12.3(b).

1. ROYALTIES AND PAYMENT TERMS

4.1 Consideration for Grant of Rights.

(a) License Issue Fee and Patent Cost Reimbursement. COMPANY shall pay to WSU on the EFFECTIVE DATE a license issue fee of [number] dollars ($#), and, in accordance with Section 6.3, shall reimburse WSU for its actual expenses incurred as of the EFFECTIVE DATE in connection with obtaining the PATENT RIGHTS. These payments are nonrefundable.

(b) License Maintenance Fees. COMPANY shall pay to WSU the following license maintenance fees on the dates set forth below:

[January 1, year] [dollar amount]

[January 1, year] [dollar amount]

[and each January 1 of every year thereafter] [dollar amount]

This annual license maintenance fee is nonrefundable; however, the license maintenance fee may be credited to running royalties subsequently due on NET SALES earned during the same calendar year, if any. License maintenance fees paid in excess of running royalties due in such calendar year shall not be creditable to amounts due for future years.

(c) Running Royalties. COMPANY shall pay to WSU a running royalty of [number] percent (#%) of NET SALES. Running royalties shall be payable for each calendar year/quarter and shall be due to WSU within sixty (60) days of the end of calendar year/quarter.

(d) Sharing of SUBLICENSE INCOME. COMPANY shall pay WSU a total of fifty percent (50%) of all SUBLICENSE INCOME received by COMPANY or AFFILIATES. Such amount shall be payable for each REPORTING PERIOD and shall be due to WSU within sixty (60) days of the end of each REPORTING PERIOD.

(e) Consequences of a PATENT CHALLENGE. In the event that (i) COMPANY or any of its AFFILIATES brings a PATENT CHALLENGE against WSU, or (ii) COMPANY or any of its AFFILIATES assists another party in bringing a PATENT CHALLENGE against WSU (except as required under a court order or subpoena), and (iii) WSU does not choose to exercise its rights to terminate this Agreement pursuant to Section 12.4, then the running royalties due hereunder shall be doubled for the remainder of the term of the AGREEMENT. In the event that such a PATENT CHALLENGE is successful, COMPANY will have no right to recoup any royalties paid during the period of challenge. In the event that a PATENT CHALLENGE is unsuccessful, COMPANY shall reimburse WSU for all reasonable legal fees and expenses incurred in its defense against the PATENT CHALLENGE.

(f) No Multiple Royalties. If the manufacture, use, lease, or sale of any LICENSED PRODUCT or the performance of any LICENSED PROCESS is covered by more than one of the PATENT RIGHTS, multiple royalties shall not be due.

4.2 Payments.

(a) Method of Payment. All payments under this Agreement should be made payable to "Wright State University" and sent to the address identified in Section 13.1. Each payment should reference this Agreement and identify the obligation under this Agreement that the payment satisfies.

(b) Payments in U.S. Dollars. All payments due under this Agreement shall be drawn on a United States bank and shall be payable in United States dollars. Conversion of foreign currency to U.S. dollars shall be made at the conversion rate existing in the United States (as reported in The Wall Street Journal) on the last working day of the calendar quarter of the applicable REPORTING PERIOD. Such payments shall be without deduction of exchange, collection, or other charges, and, specifically, without deduction of withholding or similar taxes or other government imposed fees or taxes, except as permitted in the definition of NET SALES.

(c) Late Payments. Any payments by COMPANY that are not paid on or before the date such payments are due under this Agreement shall bear interest, to the extent permitted by law, at two percentage points above the Prime Rate of interest as reported by the Wall Street Journal on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

1. REPORTS AND RECORDS

5.1 Frequency of Reports.

(a) Before First Commercial Sale. Prior to the first commercial sale of any LICENSED PRODUCT or first commercial performance of any LICENSED PROCESS, COMPANY shall deliver reports to WSU annually, within sixty (60) days of the end of each calendar year, containing information concerning the immediately preceding calendar year, as further described in Section 5.2.

(b) Upon First Commercial Sale of a LICENSED PRODUCT or Commercial Performance of a LICENSED PROCESS. COMPANY shall report to WSU the date of first commercial sale of a LICENSED PRODUCT and the date of first commercial performance of a LICENSED PROCESS within sixty (60) days of occurrence in each country.

(c) After First Commercial Sale. After the first commercial sale of a LICENSED PRODUCT or first commercial performance of a LICENSED PROCESS, COMPANY shall deliver reports to WSU within sixty (60) days of the end of each REPORTING PERIOD, containing information concerning the immediately preceding REPORTING PERIOD, as further described in Section 5.2.

5.2 Content of Reports and Payments. Each report delivered by COMPANY to WSU shall contain at least the following information:

(i) the number of LICENSED PRODUCTS sold, leased or distributed by COMPANY, its AFFILIATES and SUBLICENSEES to independent third parties in each country, and, if applicable, the number of LICENSED PRODUCTS used by COMPANY, its AFFILIATES and SUBLICENSEES in the provision of services in each country;

(ii) a description of LICENSED PROCESSES performed by COMPANY, its AFFILIATES and SUBLICENSEES in each country as may be pertinent to a royalty accounting hereunder;

(iii) the gross price charged by COMPANY, its AFFILIATES and SUBLICENSEES for each LICENSED PRODUCT and, if applicable, the gross price charged for each LICENSED PRODUCT used to provide services in each country; and the gross price charged for each LICENSED PROCESS performed by COMPANY, its AFFILIATES and SUBLICENSEES in each country;

(iv) calculation of NET SALES for the applicable REPORTING PERIOD in each country, including a listing of applicable deductions;

(v) total royalty payable on NET SALES in U.S. dollars, together with the exchange rates used for conversion;

(vi) the amount of SUBLICENSE INCOME received by COMPANY from each SUBLICENSEE and the amount due to WSU from such SUBLICENSE INCOME, including an itemized breakdown of the sources of income comprising the SUBLICENSE INCOME; and

(vii) the number of sublicenses entered into for the PATENT RIGHTS, LICENSED PRODUCTS and/or LICENSED PROCESSES.

An example of such report is provided in Appendix B. If no amounts are due to WSU for any REPORTING PERIOD, the report shall so state.

5.3 Financial Statements. On or before the ninetieth (90th) day following the close of COMPANY's fiscal year, COMPANY shall provide WSU with COMPANY's financial statements for the preceding fiscal year including, at a minimum, a balance sheet and an income statement, certified by COMPANY's treasurer or chief financial officer or by an independent auditor.

5.4 Records. COMPANY shall maintain, and shall cause its AFFILIATES and SUBLICENSEES to maintain, complete and accurate records relating to the rights and obligations under this Agreement and any amounts payable to WSU in relation to this Agreement, which records shall contain sufficient information to permit WSU to confirm the accuracy of any reports delivered to WSU and compliance in other respects with this Agreement. The relevant party shall retain such records for at least five (5) years following the end of the calendar year to which they pertain, during which time WSU, or WSU's appointed agents, shall have the right, at WSU's expense, to inspect such records during normal business hours to verify any reports and payments made or compliance in other respects under this Agreement. In the event that any audit performed under this Section reveals an underpayment in excess of five percent (5%), COMPANY shall bear the full cost of such audit and shall remit any amounts due to WSU (including interest due in accordance with Section 4.2(c)) within thirty (30) days of receiving notice thereof from WSU.

1. PATENT PROSECUTION

6.1 Responsibility for PATENT RIGHTS. WSU shall prepare, file, prosecute, and maintain all of the PATENT RIGHTS. COMPANY shall have reasonable opportunities to advise WSU and shall cooperate with WSU in such filing, prosecution and maintenance.

6.2 International (non-United States) Filings. Appendix A includes a list of countries in which patent applications corresponding to the United States patent applications listed in Appendix A shall be filed, prosecuted, and maintained. Appendix A may be amended by mutual agreement of COMPANY and WSU.

6.3 Payment of Expenses. Payment of all fees and costs, including attorneys’ fees, relating to the filing, prosecution and maintenance of the PATENT RIGHTS shall be the responsibility of COMPANY, whether such amounts were incurred before or after the EFFECTIVE DATE. As of \_\_\_\_\_\_\_\_\_\_\_\_\_, WSU has incurred approximately $\_\_\_\_\_\_\_\_\_\_ for such patent-related fees and costs. COMPANY shall reimburse all amounts due pursuant to this Section within thirty (30) days of invoicing; late payments shall accrue interest pursuant to Section 4.2(c).

1. INFRINGEMENT

7.1 Notification of Infringement. Each party agrees to provide written notice to the other party promptly after becoming aware of any infringement of the PATENT RIGHTS.

7.2 Right to Prosecute Infringements.

(a) COMPANY Right to Prosecute. So long as COMPANY remains the exclusive licensee of the PATENT RIGHTS in the FIELD in the TERRITORY, COMPANY, to the extent permitted by law, shall have the right, under its own control and at its own expense, to prosecute any third party infringement of the PATENT RIGHTS in the FIELD in the TERRITORY, subject to Sections 7.4 and 7.5. If required by law, WSU shall permit any action under this Section to be brought in its name, including being joined as a party-plaintiff, provided that COMPANY shall hold WSU harmless from, and indemnify WSU against, any costs, expenses, or liability that WSU incurs in connection with such action.

Prior to commencing any such action, COMPANY shall consult with WSU and shall consider the views of WSU regarding the advisability of the proposed action and its effect on the public interest. COMPANY shall not enter into any settlement, consent judgment, or other voluntary final disposition of any infringement action under this Section without the prior written consent of WSU

(b) WSU Right to Prosecute. In the event that COMPANY is unsuccessful in persuading the alleged infringer to desist or fails to have initiated an infringement action within a reasonable time after COMPANY first becomes aware of the basis for such action, WSU shall have the right, at its sole discretion, to prosecute such infringement under its sole control and at its sole expense, and any recovery obtained shall belong to WSU

7.3 Declaratory Judgment Actions. In the event that a PATENT CHALLENGE is brought against WSU or COMPANY by a third party, WSU, at its option, shall have the right within twenty (20) days after commencement of such action to take over the sole defense of the action at its own expense. If WSU does not exercise this right, COMPANY may take over the sole defense of the action at COMPANY's sole expense, subject to Sections 7.4 and 7.5.

7.4 Offsets. COMPANY may offset a total of fifty percent (50%) of any expenses incurred under Sections 7.2 and 7.3 against any payments due to WSU under Article 4, provided that in no event shall such payments under Article 4, when aggregated with any other offsets and credits allowed under this Agreement, be reduced by more than fifty percent (50%) in any REPORTING PERIOD.

7.5 Recovery. Any recovery obtained in an action brought by COMPANY under Sections 7.2 or 7.3 shall be distributed as follows: (i) each party shall be reimbursed for any expenses incurred in the action (including the amount of any royalty or other payments withheld from WSU as described in Section 7.4), (ii) as to ordinary damages, COMPANY shall receive an amount equal to its lost profits or a reasonable royalty on the infringing sales, or whichever measure of damages the court shall have applied, and COMPANY shall pay to WSU based upon such amount a reasonable approximation of the royalties and other amounts that COMPANY would have paid to WSU if COMPANY had sold the infringing products, processes and services rather than the infringer, and (iii) as to special or punitive damages, the parties shall share equally in any award.

7.6 Cooperation. Each party agrees to cooperate in any action under this Article which is controlled by the other party, provided that the controlling party reimburses the cooperating party promptly for any costs and expenses incurred by the cooperating party in connection with providing such assistance.

7.7 Right to Sublicense. So long as COMPANY remains the exclusive licensee of the PATENT RIGHTS in the FIELD in the TERRITORY, COMPANY shall have the sole right to sublicense any alleged infringer in the FIELD in the TERRITORY for future use of the PATENT RIGHTS in accordance with the terms and conditions of this Agreement relating to sublicenses. Any upfront fees as part of such sublicense shall be shared equally between COMPANY and WSU; other revenues to COMPANY pursuant to such sublicense shall be treated as set forth in Article 4.

1. INDEMNIFICATION AND INSURANCE

8.1 Indemnification.

(a) Indemnity. COMPANY shall indemnify, defend, and hold harmless

WSU and its trustees, officers, directors, faculty, students, employees, and agents and their respective successors, heirs and assigns (the "Indemnitees"), against any liability, damage, loss, or expense (including reasonable attorneys’ fees and expenses) incurred by or imposed upon any of the Indemnitees in connection with any claims, suits, investigations, actions, demands or judgments arising out of or related to the exercise of any rights granted to COMPANY under this Agreement or any breach of this Agreement by COMPANY.

(b) Procedures. The Indemnitees agree to provide COMPANY with prompt written notice of any claim, suit, action, demand, or judgment for which indemnification is sought under this Agreement. COMPANY agrees, at its own expense, to provide attorneys reasonably acceptable to WSU to defend against any such claim. The Indemnitees shall cooperate fully with COMPANY in such defense and will permit COMPANY to conduct and control such defense and the disposition of such claim, suit, or action (including all decisions relative to litigation, appeal, and settlement); provided, however, that any Indemnitee shall have the right to retain its own counsel, at the expense of COMPANY, if representation of such Indemnitee by the counsel retained by COMPANY would be inappropriate because of actual or potential differences in the interests of such Indemnitee and any other party represented by such counsel. COMPANY agrees to keep WSU informed of the progress in the defense and disposition of such claim and to consult with WSU with regard to any proposed settlement.

 8.2 Insurance

(a) Beginning at such time as any such product, process or service is being commercially distributed or sold by COMPANY, AFFILIATE, or by a SUBLICENSEE or agent of COMPANY, licensed, leased or otherwise transferred or used, COMPANY shall at its sole cost and expense procure and maintain comprehensive general liability insurance in amounts not less than $2,000,000 per incident and $2,000,000 annual aggregate.  Such comprehensive general liability insurance shall provide product liability coverage and broad form contractual liability coverage with a reputable and financially secure insurance carrier to cover the activities and obligations of COMPANY, AFFILIATE, and its SUBLICENSEEs.  The insurance policies shall include an endorsement providing that Wright State University and it's respective trustees, officers, directors, faculty, students, agents and employees are additional insureds.  COMPANY shall provide WSU with a certificate of insurance for the coverage and specifically name those additional insureds mentioned above.

(b) The minimum amounts of insurance coverage required herein shall not be construed to create any limitation COMPANY's liability with respect to its indemnification under this Agreement.

(c) The insurance policy shall expressly provide that such insurance shall be primary insurance and any similar insurance in the name of and/or for the benefit of the WSU shall be excess and non-contributory.

(d) Insurance must cover claims incurred, discovered, manifested, or made during or after the expiration of this Agreement.  COMPANY shall maintain such comprehensive general liability insurance beyond the expiration or termination of the Agreement during (i) the period that the product, process, or services is being commercially distributed, licensed, leased or otherwise transferred, or performed or used by COMPANY or by a SUBLICENSEE, AFFILIATE or agent of COMPANY and (ii) for a reasonable period which in no event shall be less than fifteen (15) years.

(e) COMPANY shall provide WSU prior written notice of cancellation, non-renewal or material change to this insurance coverage; if COMPANY does not obtain replacement insurance providing comparable coverage prior to the expiration of the insurance coverage, WSU shall have the right to terminate this Agreement effective immediately without notice or any additional waiting periods.

1. NO REPRESENTATIONS OR WARRANTIES

EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, WSU MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE PATENT RIGHTS AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF WSU OR THIRD PARTIES, VALIDITY, ENFORCEABILITY AND SCOPE OF PATENT RIGHTS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE.

IN NO EVENT SHALL WSU, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE TO COMPANY OR ANY OF ITS AFFILIATES FOR INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, ARISING IN ANY WAY OUT OF THIS AGREEMENT OR THE RIGHTS GRANTED HEREUNDER, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY INCLUDING WITHOUT LIMITATION ECONOMIC DAMAGES OR INJURY TO PROPERTY OR LOST PROFITS, REGARDLESS OF WHETHER WSU SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

1. ASSIGNMENT

This Agreement is personal to COMPANY and no rights or obligations may be assigned by COMPANY without the prior written consent of WSU. WSU shall have the right to terminate this Agreement immediately upon written notice to COMPANY upon a purchase of a majority of COMPANY's outstanding voting securities in a single transaction by a third party without WSU's prior written consent.

1. COMPLIANCE WITH LAWS

11.1 Compliance with Laws. COMPANY shall use reasonable commercial efforts to comply with all commercially material local, state, federal, and international laws and regulations relating to the development, manufacture, use, and sale of LICENSED PRODUCTS and LICENSED PROCESSES.

11.2 Export Control. COMPANY and its AFFILIATES and SUBLICENSEES shall comply with all United States laws and regulations controlling the export of certain commodities and technical data, including without limitation all Export Administration Regulations of the United States Department of Commerce. Among other things, these laws and regulations prohibit or require a license for the export of certain types of commodities and technical data to specified countries. COMPANY hereby gives written assurance that it will comply with, and will cause its AFFILIATES and SUBLICENSEES 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 AFFILIATES or SUBLICENSEES, and that it will indemnify, defend, and hold WSU harmless (in accordance with Section 8.1) for the consequences of any such violation.

11.3 Non-Use of WSU Name. COMPANY and its AFFILIATES and SUBLICENSEES shall not use the name of "Wright State University," "Wright State Research Institute" or any variation, adaptation, or abbreviation thereof, or of any of its trustees, officers, faculty, students, employees, or agents, or any trademark owned by WSU, or any terms of this Agreement in any promotional material or other public announcement or disclosure without the prior written consent of WSU, which consent WSU may withhold in its sole discretion. The foregoing notwithstanding, without the consent of WSU, COMPANY may make factual statements during the term of this Agreement that COMPANY has a license from WSU under one or more of the patents and/or patent applications comprising the PATENT RIGHTS.

11.4 Marking of LICENSED PRODUCTS. To the extent commercially feasible and consistent with prevailing business practices, COMPANY shall mark, and shall cause its AFFILIATES and SUBLICENSEES to mark, all LICENSED PRODUCTS that are manufactured or sold under this Agreement with the number of each issued patent under the PATENT RIGHTS that applies to such LICENSED PRODUCT.

1. TERMINATION

12.1 Voluntary Termination by COMPANY. COMPANY shall have the right to terminate this Agreement, for any reason, (i) upon at least six (6) months prior written notice to WSU, such notice to state the date at least six (6) months in the future upon which termination is to be effective, and (ii) upon payment of all amounts due to WSU through such termination effective date.

12.2 Cessation of Business. If COMPANY ceases to carry on its business related to this Agreement, WSU shall have the right to terminate this Agreement immediately upon written notice to COMPANY.

12.3 Termination for Default.

(a) Nonpayment. In the event COMPANY fails to pay any amounts due and payable to WSU hereunder, and fails to make such payments within thirty (30) days after receiving written notice of such failure, WSU may terminate this Agreement immediately upon written notice to COMPANY.

(b) Material Breach. In the event COMPANY commits a material breach of its obligations under this Agreement, except for breach as described in Section 12.3(a), and fails to cure that breach within sixty (60) days after receiving written notice thereof, WSU may terminate this Agreement immediately upon written notice to COMPANY.

12.4 Termination as a Consequence of Patent Challenge.

(a) By COMPANY. If COMPANY or any of its AFFILATES brings a PATENT CHALLENGE against WSU, or assists others in bringing a PATENT CHALLENGE against WSU (except as required under a court order or subpoena), then WSU may immediately terminate this Agreement.

(b) By SUBLICENSEE. If a SUBLICENSEE brings a PATENT CHALLENGE or assists another party in bringing a PATENT CHALLENGE (except as required under a court order or subpoena), then WSU may send a written demand to COMPANY to terminate such sublicense. If COMPANY fails to so terminate such sublicense within thirty (30) days after WSU’s demand, WSU may immediately terminate this Agreement.

12.5 Effect of Termination.

(a) Survival. The following provisions shall survive the expiration or termination of this Agreement:

Article 1 (“Definitions”);

Article 8 (“Indemnification and Insurance”);

Article 9 (“No Representations or Warranties”);

Article 11 (“Compliance with Laws”);

Article 13 (“Miscellaneous”);

Section 5.2 (“Content of Reports and Payments”);

Section 5.4 (“Records”); and

Section 12.5 (“Effect of Termination”).

(b) Pre-termination Obligations. In no event shall termination of this Agreement release COMPANY, AFFILIATES, or SUBLICENSEES from the obligation to pay any amounts that became due on or before the effective date of termination.

1. MISCELLANEOUS

13.1 Notice. Any notices required or permitted under this Agreement shall be in writing, shall specifically refer to this Agreement, and shall be sent by hand, recognized national overnight courier, confirmed facsimile transmission, confirmed electronic mail, or registered or certified mail, postage prepaid, return receipt requested, to the following addresses or facsimile numbers of the parties:

If to WSU: Wright State University

Office of Technology Transfer

3640 Colonel Glenn Hwy.

Dayton, OH 45435-0001

Attention: Director

Fax: 937-775-3781

Email: techtransfer@wright.edu

If to COMPANY:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Attention:

Tel:

Fax:

If, to COMPANY, notices regarding financial matters, including invoices:

Contact Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Department: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Tel: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Fax: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Email: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

All notices under this Agreement shall be deemed effective upon receipt. A party may change its contact information immediately upon written notice to the other party in the manner provided in this Section.

13.2 Governing Law. This Agreement and all disputes arising out of or related to this Agreement, or the performance, enforcement, breach or termination hereof, and any remedies relating thereto, shall be construed, governed, interpreted and applied in accordance with the laws of the State of Ohio, U.S.A., without regard to choice of law and conflict of laws principles, except that questions affecting the construction and effect of any patent shall be determined by the law of the country in which the patent shall have been granted. COMPANY acknowledges that any claim for breach of the Agreement asserted by COMPANY against WSU shall be brought in the Ohio Court of Claims and this is COMPANY’s sole and exclusive process for seeking a remedy for any and all alleged breaches of the Agreement by WSU.

13.3 Force Majeure. Neither party will be responsible for delays resulting from causes beyond the reasonable control of such party, including without limitation fire, explosion, flood, war, strike, or riot, provided that the nonperforming party uses commercially reasonable efforts to avoid or remove such causes of nonperformance and continues performance under this Agreement with reasonable dispatch whenever such causes are removed.

13.4 Amendment and Waiver. This Agreement may be amended, supplemented, or otherwise modified only by means of a written instrument signed by both parties. Any waiver of any rights or failure to act in a specific instance shall relate only to such instance and shall not be construed as an agreement to waive any rights or fail to act in any other instance, whether or not similar. Nothing in this Agreement shall be deemed or treated as any waiver of WSU’s sovereign immunity.

13.5 Severability. In the event that any provision of this Agreement shall be held invalid or unenforceable for any reason, such invalidity or unenforceability shall not affect any other provision of this Agreement, and the parties shall negotiate in good faith to modify the Agreement to preserve (to the extent possible) their original intent.

13.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns.

13.7 Headings. All headings are for convenience only and shall not affect the meaning of any provision of this Agreement.

13.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to its subject matter and supersedes all prior agreements or understandings between the parties relating to its subject matter.

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

|  |  |
| --- | --- |
| WRIGHT STATE UNIVERSITY | COMPANY |
| By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

APPENDIX A

List of Patent Applications and Patents

United State Patents and Applications

International (non-U.S.) Patents and Applications

**Appendix B**

**SALES REPORTS**

# AGREEMENT INCOME REPORT Royalty Income

Agreement # -

Licensee -

Sub-Licensee -

Separate reports must be filed for:

1. ***Each Licensed Product/Process sold.***
2. ***Each country of sale, if different deductions or royalty rates apply.***

**Licensed Product/Process Name:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Report Time Period:**

From *mm/dd/yyyy*

To *mm/dd/yyyy*

|  |
| --- |
|  |

## Country of Sale

***Quantity Sold***

***Gross Sales (USD)*** $$$

***Exchange Rate***

***Deductions (Itemize)***

#### Please list each deduction separately. Use same definition as appears in Agreement and include the contract paragraph as a reference (See Section 1.6 line item deductions listed below).

#####  **i.**

#####  **ii.**

#####  **iii.**

#####  **iv.**

 **v.** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

##### **Total Deductions** (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

##### **Net Sales**

## Royalty Percentage

**Credits (itemize)** (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_) (\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_)

***Royalties Due***$$$

|  |
| --- |
|  |

# PLEASE ATTACH DETAIL SALES REPORTS AS REQUIRED

# AGREEMENT INCOME REPORT Sublicense Income

Agreement # -

Licensee -

Sub-Licensee -

***Separate reports must be filed for payments associated with each Licensed Product/Process:***

**Licensed Product/Process Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Report Time Period:**

From *mm/dd/yyyy*

To *mm/dd/yyyy*

|  |
| --- |
|  |

 Detailed Explanation of Payment

 Required for “Other Payment”

## Annual Fees/Minimum Royalties $

***Milestone Payments*** $

***Sublicense Fees and Royalties*** $

***Other Payment*** $

***Other Payment*** $

***Other Payment*** $

***TOTAL*** $

|  |
| --- |
|  |

### **PLEASE ATTACH DETAIL AS REQUIRED**

APPENDIX C

**DEVELOPMENT REPORT INFORMATION**

* + - * 1. Date development plan initiated and time period covered by this report.
				2. Development Report (4-8 paragraphs).

Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results. Items to be included, if applicable:

Progress toward commercialization.

Research and development progress, including key scientific discoveries.

Schedule of anticipated events or milestones.

Significant corporate transactions involving Licensed Product/Process.

Status of applications for regulatory approvals.

Public service activities related to the Licensed Product/Process.

Manufacturing, sublicensing, marketing and importing activities.

Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.

If reported progress differs from that projected in development plan or from the milestones, an explanation of the reasons for the differences.

* + - * 1. Future Development Activities (4-8 paragraphs).

Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.

Estimated total development time remaining before a product will be commercialized.

* + - * 1. Proposed changes to development plan or milestones submitted previously to WSU (2-4 paragraphs).

Reasons for change.

Variables that may cause additional changes.

* + - * 1. Items to be provided if applicable:

Information relating to Licensed Product/Process that has become publicly available, e.g., published articles, competing products, patents, etc.

Development work being performed by third parties other than Licensee to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.

Update of competitive information trends in industry and government compliance (if applicable).