

## **WASHINGTON INNOVATION ADVANTAGE PROGRAM (WIAP) Intellectual Property (Option 2)**

### **1.0 Applicability and Definitions.**

Notwithstanding any other terms in the Agreement into which this Exhibit is incorporated, the terms of this Exhibit describe the exclusive terms for creation, ownership, and licensing of Intellectual Property related to the Project. To the extent there is any conflict or inconsistency between this Exhibit and the Agreement, the terms of this Exhibit shall prevail. For purposes of the Agreement and this Exhibit F, the following definitions apply:

- 1.1 “Intellectual Property” and “IP” mean intellectual property rights in ideas, inventions, discoveries, know-how, useful designs and articles, works of authorship, computer programs, and non-patentable materials (including biological and living materials), including but not limited to patent, copyright, trade secret, and trademark rights recognized under any applicable state, federal, or common law of the United States, foreign countries, and international conventions.
- 1.2 “Project IP” means Intellectual Property developed by or on behalf of UW and its subcontractors in the course of and as a direct result of the Project. Project IP does not include Intellectual Property (i) that has been developed outside the term of this Agreement, (ii) that has been developed by persons not participating in the Project, (iii) that has been developed at the UW independently of the Project or has been developed by UW affiliates, faculty, employees, students, agents, or subcontractors independently of the Project, (iv) that consists of copyrightable materials, including scholarly works, to the extent that UW faculty, staff, and students have personal retained rights in such materials as provided in Section 2.B. of the UW IP Policy; (v) developed by or on behalf of a non-UW person, including a UW subcontractor or supplier; or (vi) that consists of trademarks, trade names, service marks, and service names.
- 1.3 “UW IP Policy” means the UW’s “Patent, Invention, and Copyright Policy” (<http://www.washington.edu/admin/rules/policies/PO/EO36.html>), as it may from time to time exist, providing however, that any changes to the UW IP Policy after the Effective Date shall not operate to diminish any rights of Sponsor under this Agreement.

### **2.0 Intellectual Property Ownership and Rights.**

The parties agree that ownership of and other rights in Intellectual Property, including Project IP, will be determined in accordance with the laws of the United States, the State of Washington and the UW IP Policy. Except as otherwise expressly provided herein, neither party shall by reason of the Agreement or its performance obtain any right, title, license or other interest, either express or implied, to the other party’s Intellectual Property.

### **3.0 Disclosure of Project IP.**

UW will make all reasonable efforts to ensure that all investigators participating in the Project prepare, sign and submit regular written disclosures to a designated UW institutional official of all Project IP (the “Disclosure”) prior to any public disclosure thereof. Within thirty (30) days of receipt of any such Disclosure, UW will provide Sponsor a copy thereof together.

### **4.0 Sponsor’s Non-Exclusive License.**

Providing that Sponsor has otherwise performed its material obligations under this Agreement and Exhibit (including payment of the IP License Fee less the Royalty Fee, in section 6 below), UW hereby grants to Sponsor a fully-paid, non-exclusive, royalty-free, non-sublicensable license to: (i) Project IP; (ii) the written reports delivered to Sponsor as described in the Agreement; and (iii) the data produced by UW researchers during the course of performing the Project to the extent such data is reasonably and legally available, providing that Sponsor requests such data within thirty (30) days of receiving the final report and reimburses the UW for any additional reasonable costs incurred by the UW in reproducing the data. Sponsor understands and agrees that excepting only the rights granted under the foregoing license, UW retains full ownership of such Project IP, reports, and data. For clarity, UW shall not be obligated to file, prosecute, or otherwise maintain United States or foreign patents on Project IP under this grant of non-exclusive license.

- 4.1 Release and Indemnity. In consideration for receipt of the non-exclusive license to Project IP in Section 4.0 above, Sponsor hereby agrees to release UW from any liability arising from Sponsor’s exercise of rights under any such license; and to indemnify UW for any third party claims against UW resulting from Sponsor’s exercise of rights under any such license.

### **5.0 Patents, Patent Costs and Option to Negotiate Project IP License.**

- 5.1 Patenting and Project IP Protection. UW will have the sole and exclusive right to file, prosecute, direct, and otherwise manage, all United States and foreign patent and any other applications for the protection of Project IP, providing that prior thereto and when reasonably feasible and practicable, the UW advises the Sponsor of such proposed action and provides Sponsor an opportunity to comment thereon.
- 5.2 Option to Execute an Exclusive License. In consideration of and conditioned upon Sponsor’s agreement to reimburse UW for the costs of IP protection and payment of the IP License Fee described in section 6.1, UW hereby grants Sponsor an “Option to Execute an Exclusive License” to Project IP containing terms consistent with section 6.2 below. If Sponsor fails to reimburse UW fully for all such costs and/or pay such IP License Fee within thirty (30) days of invoice, UW’s Sponsor’s Option to Execute an Exclusive License will automatically terminate upon thirty (30) days’ written notice thereof to Sponsor.

## 6.0 Option to Obtain Commercial License.

- 6.1 IP License Fee. In addition to the payment of costs and expenses pursuant to the Project Budget, Sponsor will pay UW (i) 10% of total Project Budget or \$15,000, whichever is greater; and (ii) a 1% royalty on net sales (as defined in such license) that exceed \$20,000,000 (“Royalty Fee”), together the “IP License Fee.” Such IP License Fee is non-refundable and nontransferable to any other costs or fees associated with this Project or any other Project. The IP License Fee described in this section 6.1, together with reimbursement for all costs associated with IP protection, shall be the sole financial commitment by Sponsor in the Exclusive License described in section 6.2 below.
- 6.1.1 Invoice for IP License Fee. UW shall invoice Sponsor for the amount described in section 6.1(i) above upon execution of the Sponsored Research Agreement for the Project. Sponsor shall pay such invoice in accordance with the terms, including payment due dates, of such invoice.
- 6.1.2 Increase in Project Budgets and Fee Based on Royalty. Sponsor understands and agrees that increases in Project budgets and the Royalty Fee (when applicable) may increase the price of the IP License Fee consistent with section 6.1 above. UW shall invoice Sponsor for such increases, and sponsor shall pay such invoices, in accordance with section 6.1.1 above.
- 6.2 Negotiation, Terms, Execution and Termination.
- 6.2.1 Content of Exclusive License. UW and Sponsor shall make reasonable good faith efforts to negotiate a license for execution consistent with the terms of this Exhibit. Such commercial license shall contain terms customary and usual for the UW including reasonable diligence requirements for commercialization of the Project IP, and indemnity for Sponsor’s exercise of license rights.
- 6.2.2 Time for Negotiation and Execution. Sponsor will have a period of twelve (12) months from the date upon which UW provides a Disclosure and a draft Exclusive License containing commercially reasonable terms describing such Project IP to Sponsor to execute an exclusive license. If UW and Sponsor fail to execute an exclusive license within such period Sponsor’s Option to Execute an Exclusive License will thereupon terminate, without further notice by the UW. Notwithstanding the forgoing, Sponsor and UW can mutually agree to extend the time periods of this section.

**[Signature Page Follows]**

**University of Washington**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Sponsor**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**University of Washington (CoMotion)**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Principal Investigator – Read and Reviewed**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_