

**Inter-Institutional Agreement**

This Inter-Institutional Agreement (“Agreement”) is entered into as of \_\_\_\_\_, 201\_\_\_, by and between the Arizona Board of Regents for and on behalf of Northern Arizona University, with its principal place of business 1395 S. Knoles Drive, Flagstaff, AZ 86011-4087 (“NAU”) and XXX, a [entity] with principal offices at \_\_\_\_\_, (“XXX”) (collectively the “Parties” or individually the “Party”).

**ARTICLE 1. RECITALS**

In the course of collaborative research, NAU and XXX researchers created the Inventions as defined below. Inventions are jointly owned by NAU and XXX. NAU and XXX have separate agreements with their respective researchers whereby they agree to assign all right, title and interest in the Inventions to their respective institutions. The Parties desire to jointly exploit the Inventions and the Patent Rights within the mission of each Party. NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, the Parties agree as follows:

**ARTICLE 2. DEFINITIONS**

2.1 “Inventions” means all discoveries, know-how, information, and inventions created by Joint Inventors entitled “\_\_\_\_\_” referencing XXX and XXX.

2.2 “License Revenue” means the transfer of value from third parties to the Parties in consideration of granted licenses or other rights to the Inventions and/or Patent Rights which may include, but is not limited to: actual royalties, fees, payments, equity securities and other sums.

2.3 “Patent Expenses” means all out-of-pocket expenses incurred by either party, as evidenced by actual invoices that were incurred in searching, preparing, filing, prosecuting, defending, and maintaining patent(s) and patent application(s) to the Inventions.

2.4 “Patent Right(s)” means the Parties’ respective rights in discoveries, know-how, information and inventions covered in patents and/or patent applications, as described in Exhibit “A”, whether domestic or foreign, which identify Joint Inventors as inventors and which relate to the Inventions, and any patent application(s) claiming the benefit of priority thereof including all divisions and continuations of these applications, all patents issuing from such applications, divisions and continuations, and any reissues, reexaminations, and extensions of all such patents to the extent that Joint Inventors are named as inventors thereon.

**ARTICLE 3. PATENT PROSECUTION**

3.1 NAU, in consultation with XXX, may retain counsel of its choosing to prepare and prosecute patent applications and enforce patents within the Patent Rights. Such Patent Rights shall be assigned jointly to NAU and XXX, each of which shall have an equal and undivided interest in the Patent Rights.

3.2 The filing, prosecution, maintenance and enforcement of any patent or patent application within the Patent Rights will be mutually agreed upon between NAU and XXX, and the Parties will share the out of pocket expenses thereof as per Article 5.

If either NAU or XXX objects to the filing, continued prosecution of an application, enforcement or maintenance of a patent or patent application within the Patent Rights in a particular country, that Party shall provide the other Party with sixty (60) days’ notice of intention. The declining Party, after providing notice of its intentions, will proceed to meet all obligations, financial or otherwise, to the other Party by the end of the sixty (60) day period.

If the remaining Party subsequently licenses the declined patent or patent application and receives royalty or other income thereunder, the Party having declined the patent or patent application shall be entitled to recover any unreimbursed patent expenses, as provided in Article 5, incurred from prosecuting the declined patent or patent application, but only after the remaining Party has recovered its expenses in full. After such out of pocket patent expenses of the declining Party have been reimbursed in full, that Party shall no longer be entitled to any royalties for that patent or patent application. Distributions shall be made quarterly or as otherwise agreed in writing by the Parties.

#### **ARTICLE 4. LICENSING**

NAU and XXX agree to act jointly in offering options, licenses and any agreements related to the commercialization of the Invention to others under the Patent Rights. NAU through its Technology Transfer Office shall diligently take the lead in, and shall proceed with marketing efforts to identify potential licensees and negotiate all agreements relating to the commercialization of the Patent Rights on behalf of both Parties. NAU shall consult with XXX and will periodically provide negotiation updates while negotiating any such agreement. XXX shall have the right to comment on any negotiations or drafts, and NAU shall consider those comments in good faith and incorporate those comments as it is able, but NAU shall have the right to make any final decisions with respect to such negotiations.

#### **ARTICLE 5. EXPENSES AND REVENUE**

5.1 Expenses incurred in prosecuting and maintaining the Patent Rights shall be divided between NAU and XXX according to the following percentages: \_\_\_\_% to NAU and \_\_\_\_% to XXX (hereinafter "Patent Expense(s)"). XXX shall reimburse NAU the above percentage of Patent Expenses within thirty (30) days of its receipt of an itemized statement showing the total out of pocket expenditures.

5.2 License Revenue will be shared by the Parties. In addition, after reimbursement of Patent Expenses, the Parties may agree to hold all or a portion of any remaining License Revenue in anticipation of future unreimbursed Patent Expenses. When the Parties agree to distribute License Revenue, \_\_\_\_% License Revenue will be retained by NAU and \_\_\_\_% will be delivered to XXX. Distributions shall be made quarterly or as otherwise agreed in writing by the Parties.

5.3 If the distribution of resources provided by NAU and XXX changes substantially and new patent applications related to the Invention are filed, the distribution of out of pocket expenses and royalties may be assessed and altered by a mutually agreed upon written amendment to this Agreement.

#### **ARTICLE 6. TERMINATION**

6.1 Either NAU or XXX may terminate this Agreement without cause, and its rights and obligations hereunder by providing sixty (60) days written notice of termination to the other Party. The terminating Party, after providing notice of its intentions, will proceed to meet all obligations, financial or otherwise, to the other Party by the end of the sixty (60) day period, including any steps reasonably necessary to enable the remaining Party to properly manage any pending or issued patents.

6.2 If either NAU or XXX elects to terminate in the manner provided in Section 6.1 above, then any Patent Rights held by the terminating Party shall be automatically exclusively licensed to the remaining Party, without further obligation by the non-terminating Party to the terminating Party, except that the terminating Party shall maintain the right to practice the Patent Rights for its internal non-commercial research, clinical and educational purposes.

6.3 Either Party may terminate this Agreement for material breach or default by the other Party by providing ninety (90) days written notice to the other Party. The Parties shall retain their full right of ownership in the Patent Rights, including all rights implied at law, provided that any license or transfer made or executed after the notice of termination does not conflict with any license or transfer made or executed prior to the notice of termination.

6.4 Unless terminated as provided above, this Agreement shall terminate with the expiration of the last to expire patent within the Patent Rights, or on abandonment of all patent or patent applications within the Patent Rights, provided such abandonment is by mutual consent.

6.5 Termination of this Agreement will not relieve either Party of any obligation or liability accrued under this Agreement before termination or rescind any payments made or due before termination.

## ARTICLE 7. CONFIDENTIALITY

7.1 XXX and NAU acknowledge that either Party may provide certain information to the other about the Invention and Patent Rights that is considered to be confidential. XXX and NAU shall hold such information confidential and take reasonable precautions to protect such confidential information except upon written mutual agreement of the Parties or otherwise allowed pursuant to this Agreement. Such precautions shall involve at least the same degree of care and precaution that the recipient customarily uses to protect its own confidential information.

7.2 Any information embodied in written, graphical, digital, oral, biological or other tangible form, which is identified and designated as confidential at the time of disclosure, and disclosed by or on behalf of one Party to the other Party(ies) shall be considered "Confidential Information". Confidential Information of the Parties includes, but is not limited to, inventions, invention disclosures, evaluations and assessments of inventions, patent applications and other filings, legal instruments, biological materials, processes, methods, formulae, prototypes, devices, computer software, copyrighted works, experimental data, the potential intellectual property rights therein, and all business and legal arrangements discussions by or on behalf of the Parties.

7.3 Confidential Information does not include information or materials that:

- (a) As evidenced by a receiving Party's written records, was lawfully known to the receiving Party prior to its communication by the disclosing Party and was not communicated to the receiving Party subject to any restrictions on disclosure or use; or
- (b) As evidenced by a receiving Party's written records, is independently developed by the receiving Party without use or knowledge of the Confidential Information; or
- (c) Is or becomes a part of the public domain other than by a breach of this Agreement by the receiving Party; or
- (d) Is or becomes known to the receiving Party by the action of a third party not in breach of a duty of confidence; or
- (e) Is required to be disclosed by the receiving Party to a third party pursuant to any applicable law, governmental regulation, or decision of any court or tribunal of competent jurisdiction, so long as the receiving Party takes reasonable steps to give the disclosing Party prior notice in order to contest such law, governmental regulation, or decision.

7.4 NAU may disclose the existence of this Agreement should a proper request be made under the Arizona open records procedures.

## ARTICLE 8. WARRANTIES

**THE PARTIES ACKNOWLEDGE AND AGREE THAT NEITHER PARTY IS MAKING ANY WARRANTY, EXPRESS OR IMPLIED, UNDER THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE; ANY IMPLIED WARRANTIES ARISING FROM ANY COURSE OF DEALING, USAGE, OR TRADE PRACTICE, WITH RESPECT TO THE SCOPE, VALIDITY OR ENFORCEABILITY OF THE TECHNICAL INFORMATION OR PATENT RIGHTS; THAT ANY PATENT WILL ISSUE BASED UPON ANY OF THE PENDING PATENT RIGHTS; THAT THE USE OF ANY PATENT RIGHTS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER RIGHTS OF THIRD PARTIES; OR THAT THE MANUFACTURE, USE, SALE, OFFER FOR SALE OR IMPORTATION OF THE LICENSED PRODUCTS WILL NOT INFRINGE INTELLECTUAL PROPERTY RIGHTS. IN NO EVENT WILL NAU BE LIABLE FOR LOSS OF PROFITS, LOSS OF USE, OR ANY OTHER CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES.**

## ARTICLE 9. INDEMNIFICATION

9.1 Each Party shall be responsible for liability resulting from the actions/inactions of its officer, agents, and employees, acting within the course and scope of their official duties to the Party. NAU is a governmental entity and is subject to law of the State of Arizona (the "Law"). Nothing in this Agreement shall be

construed as a waiver of any rights or defenses applicable to NAU under the Law without limitations. Each Party shall give the other timely notice of any claim or suit instituted of which that Party has knowledge that in any way, directly or indirectly, affects or might affect the other, and the other Party shall have the right at its own expense to participate in the defense of the same.

9.2 NAU will not issue any license or transfer of the Patent Rights without an indemnification provision. Such indemnification provision shall provide that each Licensee shall indemnify, hold harmless and defend NAU and XXX, and their respective officers, employees and agents, against any and all claims, suits, losses, damages, costs, liabilities, fees and expenses (including reasonable fees of attorneys) resulting from or arising out of exercise of: a) any license granted under this Agreement; or b) any negligent act, error, or omission of that Party, its officers, employees, or agents, except where such claims, suits, losses, damages, costs, fees, or expenses result solely from the negligent acts or omissions, or willful misconduct of the other Party, its officers, employees or agents.

## **ARTICLE 10. GENERAL PROVISIONS**

10.1 This Agreement embodies the entire understanding of the Parties and supersedes all previous communications, representations or understandings, either oral or written, between the Parties relating to the subject matter hereof.

10.2 This Agreement binds and inures to the benefit of the Parties, their successors or assigns. Nothing in this Agreement shall prohibit either NAU or XXX from assigning to a third Party their respective interest in the Patent Rights, provided that any such assignment shall be in writing and notice to the other Party that include the obligations of this Agreement.

10.3 This Agreement may be amended only by the mutual written agreement of the Parties.

10.4 This Agreement is to be governed by and construed in accordance with laws of the State of Arizona without regard to any principles of conflicts of law. Exclusive venue for any dispute not barred by sovereign immunity arising under, out of, or in connection with this Agreement will be the state and federal courts in or in close proximity to Flagstaff, Arizona, unless the action cannot be brought in such court due to statutory proclamation in which case only the venue will be as so proscribed. XXX consents to the personal jurisdiction of all such courts and hereby waives any claims of lack of personal jurisdiction or inconvenience of such court. Nothing herein will be interpreted as a waiver of sovereign immunity.

10.5 A Party will not be liable to the other Party for inability to perform any of its obligations under this Agreement when its inability is the result of an act of god, earthquake, epidemic, order of civil or military authorities, flood, fire, war, civil disturbance, strike, act of terror, or other natural cause over which the Party has no control. A Party failing to perform an obligation under this Agreement because of force majeure must give the other Party written notice of the force majeure as soon as possible after its occurrence. A Party whose performance is excused because of force majeure must resume performance as soon as reasonably possible upon cessation of the force majeure.

10.6 The Parties acknowledge that legislative action may require that curtailment or termination of some or all of NAU's research and educational programs. The Parties acknowledge further that NAU is obligated to respond to such legislative action and may determine that it is necessary to curtail or terminate those programs. NAU has no obligation to the other Party to perform any research or educational program and nothing in the foregoing or otherwise in this Agreement will be interpreted to create any obligation on NAU to perform research or educational programs. The Parties also agree that termination or failure to perform terms and conditions of this Agreement in response to legislative action will not be deemed a breach of this Agreement.

10.7 Headings are included for convenience only and will not be used to construe this Agreement. The use of the term "including" means "including, without limitation." The Parties acknowledge and agree that both Parties substantially participated in negotiating the provisions of this Agreement; therefore, both Parties agree that this Agreement shall not be construed more favorably toward one party than the other party, regardless of which party primarily drafted the Agreement. Each Party acknowledges that it was provided an opportunity to seek advice of counsel prior to entering into this Agreement.

10.8 All notices shall be in writing and effective upon receipt with a proof. Communications sent via electronic mail (commonly referred to as e-mail) do not constitute a “writing” for purposes of this Agreement. Notices shall be sent to the following addresses:

**If to University:**

Northern Arizona University  
Attn: NAU Innovations  
Box 4087, Building 56  
1395 S. Knoles Drive  
Flagstaff, Arizona 86011-4087  
Telephone: 928-523-4620  
Email: [NAUInnovations@nau.edu](mailto:NAUInnovations@nau.edu)

**If to XXX:**

xxx, Inc.  
Attn:  
Address  
City, State Zip code  
Telephone:  
Email:

10.9 NAU and XXX shall not use the name of the other Party in any sales promotion, advertising, or any form of publicity without the prior written approval of the other Party.

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by duly represented individuals as of the date first above written and as indicated below.

**The Arizona Board of Regents, for and on behalf of Northern Arizona University “NAU”**

**XXX, Inc. “Recipient”**

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

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

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

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

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

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

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

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

**NAU scientist for acknowledgment purposes only**

**Recipient scientist for acknowledgment**

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

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

Name: **XXX**, Ph.D. \_\_\_\_\_

Name: Ph.D. \_\_\_\_\_

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

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

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

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

**EXHIBIT "A"**

**PATENT RIGHTS**

<b>No.</b>	<b>Matter</b>	<b>Application No. Date of Filing</b>	<b>Title</b>	<b>Inventor(s)</b>