

## PATENT COST-SHARING AGREEMENT

This Agreement is entered into and effective \_\_\_\_\_, by and between \_\_\_\_\_ (**THE INSTITUTION**), having an address at \_\_\_\_\_ and the Public Health Service (**PHS**), as represented by the Office of Technology Transfer, having an address at the National Institutes of Health, 6011 Executive Boulevard, Suite 325, Rockville, Maryland 20852.

### 1. BACKGROUND

1.1 -- In the course of research programs at **PHS** and at **THE INSTITUTION**, \_\_\_\_\_ (Inventors) conceived Invention(s) which relate to \_\_\_\_\_.

1.2 -- Any license granted under this Agreement will be subject to a royalty-free, nonexclusive, irrevocable license to the U.S. government to use the Invention(s) for government purposes. The scope of such license shall be as set forth in 37 CFR 404.7(a)(2)(i).

1.3 -- **PHS** and **THE INSTITUTION** are co-owners of the Invention(s) through the assignment of rights from the Inventors.

### 2. DEFINITIONS

2.1 -- "Invention(s)" means \_\_\_\_\_ as described in U.S. Patent Application Serial Number \_\_\_\_\_, and any counterpart foreign patent applications, divisions, or continuations thereof, and any patents issued thereon or reissues or extensions thereof.

2.2 -- "Expenses" means all reasonable actual out-of-pocket costs incurred by **PHS** for the preparation, filing, and prosecution of U.S. and any foreign patent applications, litigation (except those litigation costs covered by Article 3.6), and the maintenance of resulting patents, exclusive of any salaries, administrative, or other indirect costs.

2.3 -- "Recoverable Costs" means fifty percent (50%) of Expenses incurred by **PHS** from its management of Invention(s) pursuant to this Agreement plus fifteen (15%) of Expenses.

2.4 -- "Office of Technology Transfer (OTT)" means the National Institutes of Health's Office of Technology Transfer.

### 3. PATENT PROSECUTION AND PROTECTION

3.1 -- **PHS** or its contractors shall file, prosecute, and maintain all U.S. and any foreign patent application(s) pertaining to the Invention(s) and shall promptly provide to **THE INSTITUTION** all serial numbers and filing dates, together with copies of all such applications, including copies of all Patent Office actions, responses, and all other Patent Office communications from any Patent Office. In addition, **THE INSTITUTION** will be granted Power of Attorney on the filing declaration including the right to inspect and copy.

3.2 -- **PHS** shall make an election with respect to foreign patent application filing, upon consultation with **THE INSTITUTION**, within eight (8) months of any U.S. patent application filing.

3.3 -- **PHS** shall promptly record Assignments of patent rights in any Patent Office and shall provide **THE INSTITUTION** with a photocopy of each recorded Assignment.

3.4 -- Notwithstanding any other provision of this Agreement, **PHS** shall not abandon the prosecution of any patent application (except for purposes of filing continuation or continuation-in-part applications) or the maintenance of any patent contemplated by this Agreement without prior written notice to **THE INSTITUTION** at least thirty (30) days prior to the date action must be taken to avoid the abandonment or continue such maintenance. Upon receiving such written notice, **THE INSTITUTION** may, at their sole option and expense, take over the prosecution of any such patent application, or the maintenance of any such patent.

3.5 -- **PHS** shall promptly provide to **THE INSTITUTION** copies of all patents issued which are subject to this Agreement.

3.6 -- In the event that **PHS** anticipates the possibility of any extraordinary expenditures arising from the preparation, filing, prosecution, or defense of any patent application or patent contemplated by this Agreement, such as opposition or infringement, **PHS** shall provide **THE INSTITUTION** with relevant information and shall discuss with **THE INSTITUTION** a mutually acceptable course of action prior to incurring such expenditures.

3.7 -- **PHS** or its contractors shall submit to **THE INSTITUTION** statements of itemized expenses, and if **THE INSTITUTION** should fail to reimburse **PHS** or its contractors for Recoverable Costs within ninety (90) days of receipt of such statements, **PHS** may give written notice of default to **THE INSTITUTION** pursuant to Article 6 of this Agreement. If **THE INSTITUTION** should fail to repair such default within ninety (90) days from the receipt by it of such notice, **PHS** may construe such default as termination on the part of **THE INSTITUTION** pursuant to Article 10 of this Agreement, except where **THE INSTITUTION** has identified discrepancies in billing by **PHS**, in which case payment for the contested amount may be delayed pending prompt reasonable efforts to resolve the dispute pursuant to Paragraph 5.1 of this Agreement.

#### 4. LICENSING

4.1 -- **THE INSTITUTION** and **PHS** shall both diligently seek licensee(s) for the commercial development of said Invention(s) and shall administer the Invention(s) for the mutual benefit of the parties and in the best public interest.

#### 5. SETTLING DISPUTES

5.1 -- Any controversy or any disputed claim by either party against the other arising under or related to this Agreement shall be submitted jointly to the Director of **THE INSTITUTION** and to the Director of the National Institutes of Health for resolution. **THE INSTITUTION** and **PHS** will be free after written decisions are issued by those officials to pursue any and all administrative and/or judicial remedies which may be available.

#### 6. NOTICES

Any notice required or permitted to be given to the parties hereto shall be deemed to have been properly given if delivered, in writing, in person or mailed by first-class certified mail to the following addresses, or such other addresses as may be designated in writing by the parties from time to time during the term of this Agreement:

To **THE INSTITUTION**:

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To **PHS**:

Office of Technology Transfer  
National Institutes of Health  
6011 Executive Boulevard, Suite 325  
Rockville, MD 20852

Attention: Director

#### 7. WAIVER

It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or agreements herein set forth shall be deemed a waiver as to any subsequent and/or similar breach or default.

#### 8. ASSIGNABILITY

This Agreement is binding upon and shall inure to the benefit of the parties hereto, their successors or assigns, but this Agreement may not be assigned by either party without the prior written consent of the other party.

#### 9. LIFE OF AGREEMENT

This Agreement shall be in full force and effect from the date first herein written and shall remain in effect for the life of the last to expire patent contemplated by this Agreement, unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement.

#### 10. TERMINATION BY INSTITUTION

**THE INSTITUTION** may terminate this Agreement upon at least sixty (60) days written notice to **PHS**, but in any event not less than sixty (60) days prior to the date on which any pending Patent Office actions need be responded to in order to preserve patent rights for the benefit of the parties hereto. **THE INSTITUTION** agrees to pay **PHS** all Recoverable Costs not previously paid by **THE INSTITUTION** within thirty (30) days of the termination of this Agreement.

#### 11. TERMINATION BY PHS

**PHS** may terminate this Agreement for any reason upon sixty (60) days written notice to **THE INSTITUTION**. **THE INSTITUTION** agrees to pay **PHS** all Recoverable Costs not previously paid by **THE INSTITUTION** within thirty (30) days of the termination of this Agreement.

## 12. MODIFICATION

Any modification to this agreement must be in writing and agreed to by both parties.

## 13. SURVIVABILITY

Paragraphs 1.2, 2.3, 3.7, 7, 10, 11, 13 and 14 of this Agreement shall survive termination of this Agreement.

## 14. COMPLETE AGREEMENT

It is understood and agreed between **THE INSTITUTION** and **PHS** that this Agreement constitutes the entire agreement, both written and oral, between the parties, and that all prior agreements respecting the subject matter hereof, either written or oral, expressed or implied, shall be abrogated, canceled, and are null and void and of no effect.

