**COLLABORATIVE RESEARCH AGREEMENT AND ALLOCATION OF RIGHTS**

**IN INTELLECTUAL PROPERTY UNDER AN SBIR RESEARCH PROJECT**

This Agreement between \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter “Company”), a small business concern having an address at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and the University of Wisconsin – Madison (herein after the “University”), a university having a place of business at 21 N Park Street, Suite 6301, Madison, Wisconsin, 53715-1218, is entered into for the purpose of allocating between the parties certain rights relating to an SBIR research project to be carried out by Company and the University (hereinafter referred to as a “Party” or the “Parties”) under an SBIR funding agreement that may be awarded by \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter the “Agency”) to Company to fund a proposal dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and entitled \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “SBIR Proposal”).

**WHEREAS**, the University has information and/or proprietary technology relating to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**WHEREAS**, Company has information and/or proprietary technology relating to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**WHEREAS**, the proposed research project will mainly consist of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as described in detail in Exhibit A (hereinafter the “Research Project”); and

**WHEREAS,** Company will supply \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ which will not be considered for the purposes of this Research Project to be Project Intellectual Property as described in Section 3.

**NOW, THEREFORE**, in consideration of the foregoing and the mutual covenants and agreements contained herein, the Parties agree as follows:

**1. Applicability of this Agreement**

A. This Agreement shall be applicable only to matters with regard to the Research Project.

B. If the SBIR Proposal is funded, Company will promptly provide a copy of such funding agreement to the University, and Company will make a sub-award to the University in accordance with the funding agreement, the SBIR Proposal, and this Agreement. If the terms of such funding agreement appear to be inconsistent with the provisions of this Agreement, the Parties will attempt in good faith to resolve any such inconsistencies. However, if such resolution is not achieved within a reasonable period, Company shall not be obligated to award nor the University to accept the sub-award, as the case may be.

C. The provisions of this Agreement shall be supplied to any and all consultants subcontractors, independent contractors, or other individuals employed by Company or the University for the purposes of the Research Project, and their agreement to be bound by the same shall be obtained.

**2.** **Background Intellectual Property**

One or both Parties may possess rights in “Background Intellectual Property”, that is, intellectual property not otherwise subject to this Agreement, which would be useful or essential to the practice or commercialization of the results of this Agreement. For example, WARF may own a patent which would be infringed by Company when it attempted to commercialize the results of this Agreement unless a license was obtained from WARF. Where the Parties determine that Background Intellectual Property may exist, Company shall have the opportunity negotiate a license to such Background Intellectual Property, to the extent such use is reasonably necessary for the commercialization of Project Intellectual Property and to the extent such rights are available. Any such license will contain terms standard for agreements between a university and industry, taking into consideration the specifics of the parties and the technology.

**3. Project Intellectual Property**

A. "Project Intellectual Property" means the legal rights to Subject Inventions as defined in 37 CFR 401, and any resulting patent applications or patents, as well as any software first reduced to practice or conceived and developed during the performance of the Research Project.

B. The rights of the Parties to Subject Inventions made by their employees in the performance of the Research Project shall be as set forth in the Patent Rights Clause of 37 CFR 401.14 ("Patent Rights Clause").

C. Project Intellectual Property shall be owned by the Party whose employees may be appropriately named as inventors under U.S. Patent Law. Jointly made Project Intellectual Property shall be jointly owned by the Parties, with each Party having an undivided interest therein. With respect to any rights afforded to the University, such rights shall be owned by the Wisconsin Alumni Research Foundation (“WARF”) as the designated patent management organization for the University.

D. In addition to the Government's rights under the Patent Rights Clause, the Parties agree that the Government shall have an irrevocable, royalty free, non-exclusive license for any Governmental purpose in any Project Intellectual Property.

E. The Parties agree to disclose to each other, in confidence and in writing, each and every Subject Invention and any software created as part of the Research Project. The Parties acknowledge that they will disclose Subject Inventions to each other and to the Agency within two (2) months after their respective inventor(s) first disclose the invention in writing. Such disclosure to the Agency shall be in accordance with the Patent Rights Clause. Each Party agrees to hold all details provided with such disclosure in confidence and to not disclose such details to others in a manner that would affect the patentability of the Subject Invention.

F. Each Party hereto may use Project Intellectual Property of the other non-exclusively and without compensation in connection with research or development activities for the Research Project, including inclusion in Research Project reports to the Agency and proposals to the Agency for continued funding of the Research Project through additional phases.

G. All written disclosures of such inventions shall contain sufficient detail of the invention and identification of any statutory bars and shall be considered confidential in accordance with 35 U.S.C. Section 205. Disclosure to the Agency shall be within the time provided in paragraph (c) (1) of the Patent Rights Clause of 37 CFR 401.14.

H. Company will have an option to commercialize the Project Intellectual Property subject to any rights of the Government or other sponsors as follows:

1. Company shall have an option to negotiate a license to any Project Intellectual Property (whether solely owned by the WARF or jointly owned by WARF and Company). Such option shall extend for a period of three (3) months after such Project Intellectual Property has been disclosed to Company. During the period of such option, WARF will pursue and maintain, if it is legally able to, patent protection for any Subject Invention requested by Company provided Company agrees to reimburse WARF for its out-of-pocket expenses. WARF will not voluntarily discontinue the pursuit and maintenance of any US patent protection for the Project Intellectual Property during this option period without advance written notice to Company. In the event Company does not exercise its option, Company shall relinquish all rights to said Project Intellectual Property.

2. At any time prior to the expiration or termination of an option, Company may exercise such option by providing written notice to WARF, whereupon WARF and Company will promptly and in good faith enter into negotiations for a license under WARF’s rights in the Project Intellectual Property. The terms of such license shall be consistent with Governmental regulations and will include terms standard for agreements between a university and industry, taking into consideration the specifics of the parties and the technology, including, but not be limited to: (i) payment of reasonable royalties to WARF on the sale, lease, license or other transfer for consideration of products or services which embody, or the development, manufacture, use, or sale of which involve employment of, the Project Intellectual Property; (ii) reimbursement by Company of expenses incurred by WARF in seeking and maintaining patent protection for the Project Intellectual Property; and (iii) due diligence milestones. If WARF and Company cannot agree on reasonable terms within ninety (90) days after exercise of the option, Company’s option to a license shall terminate and WARF shall be free to license, exclusively or non-exclusively, the inventions of the Project Intellectual Property to another party.

**4. Patent Prosecution and Commercialization for Jointly Owned Project Intellectual Property**

A. Although WARF and Company agree that each has responsibility for management of Project Intellectual Property produced by its employees in accordance with appropriate government regulations and its own institutional policy, it is recognized that more effective enablement of commercialization of jointly owned Project Intellectual Property will require a unified approach by WARF and Company. Therefore, if the SBIR Proposal is funded, the following procedural framework will be put into place for the handling of jointly owned Project Intellectual Property.

1. Shortly following the identification of any jointly owned Project Intellectual Property, technical and patent representatives of WARF and Company will discuss details of handling such jointly owned Project Intellectual Property.

2. Either WARF or Company shall be designated the “Lead Party” to take primary responsibility for protection of such jointly owned Project Intellectual Property. If patent applications are to be filed, the Lead Party will ensure that the other Party is kept informed and has an opportunity to review and comment on patent prosecution. The Lead Party shall provide the other Party at least thirty (30) days notice prior to filing a patent application that includes jointly owned Project Intellectual Property.

3. As with Project Intellectual Property solely owned by WARF, Company shall have option rights as outlined in Section 3H above for jointly owned Project Intellectual Property.

4. In the event that Company decides not to exercise its option to WARF’s ownership interest in jointly owned Project Intellectual Property, Company and WARF may agree to undertake a cooperative licensing effort. At that point, the Lead Party shall assume sole responsibility for identifying potential commercial licensees and for negotiating the terms of commercial license agreements. All costs associated with filing prosecuting and maintaining intellectual property rights associated with the Project Intellectual Property shall be shared as agreed upon by WARF and Company. Any revenues generated by such license agreements after deduction of any agreed upon expenses shall be divided equally between WARF and Company no less often than once per year. WARF and Company shall be solely responsible for calculating and distributing to its respective inventor(s) any share of net revenues payable to such inventor(s) in accordance with its own institutional policy.

**5. Publication and Confidentiality**

A. Background Intellectual Property and Project Intellectual Property of a Party, as well as other proprietary or confidential information of a Party, disclosed by that Party to the other in connection with the Research Project shall be received and held in confidence by the receiving Party and, except with the consent of the disclosing Party or as permitted under this Agreement, shall neither be used by the receiving Party nor disclosed by the receiving Party to others, provided that the receiving Party has notice that such information is regarded by the disclosing Party as proprietary or confidential. However, these confidentiality obligations shall not apply to use or disclosure by the receiving Party after such information is or becomes known to the public without breach of this provision or is or becomes known to the receiving Party from a source reasonably believed to be independent of the disclosing Party or is developed by or for the receiving Party independently of its disclosure by the disclosing Party.

B. Either Party may publish its results from the Research Project and each Party agrees to provide to the other a copy of any such publications at the time of submission. Whenever possible, the publishing Party shall provide the other Party a thirty (30) day period in which to review proposed publications, identify material on which patent applications should be filed, and submit other comments. Each Party will give serious and good-faith consideration to any comments received from the other, provided, however, that such comments are received in sufficient time so as not to delay publication.

1. In the event that Company or University desire to provide confidential information to the other, such information will be marked in writing as confidential at the time it is provided or, if provided orally, identified as confidential at the time of disclosure and confirmed in writing within ten (10) days of the oral disclosure. Unless otherwise required by law, the receiving Party will maintain such information in confidence in the same manner in which it maintains its own confidential information. Confidential information does not include information which:
2. is or becomes generally available in the public domain through no act of the receiving Party; or
3. was independently known prior to receipt thereof or is subsequently discovered independently by an employee of the receiving Party who has no access to the information supplied under this Agreement; or
4. is made available to the receiving Party as a matter of lawful right by a third party. The receiving Party retains the right to refuse to accept any such information which is not considered to be essential to the Research Project. The obligations of the receiving Party to maintain the confidence of any information provided under this Agreement shall survive and continue for three (3) years.

**6.** **Liability**

A. Each Party disclaims all warranties running to the other or through the other to third parties, whether express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and freedom from infringement, as to any information, result, design, prototype, product or process deriving directly or indirectly and in whole or part from such Party in connection with the Research Project.

B. Company will indemnify and hold harmless the University and WARF and their officers, employees and agents with regard to any claims arising in connection with commercialization of the results of the Research Project by or under the authority of Company.

**7.** **Governing Laws**

A. This Agreement and any to follow in this collaborative effort shall be governed by and interpreted in accordance with the laws of the State of Wisconsin.

**8.** **Termination**

A. This Agreement shall remain in force for the period during which the Parties are being funded by the Agency for the Research Project unless it is superseded by other written agreements among the Parties and it shall automatically terminate should either Party withdraw from the collaborative program. This Agreement may be terminated by either Party in the event of the failure of the other Party to comply with the terms of this Agreement.

1. In the event of termination by either Party, each Party shall be responsible for its obligations through the effective date of termination. The obligation of confidentiality shall survive the termination of this Agreement and shall continue for a period of three (3) years from the date of termination.

**IN WITNESS WHEREOF**, the parties hereto have duly executed this Agreement on the dates indicated below.

**COMPANY**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_

Name & Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**THE BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN**

By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_, \_\_\_\_\_

Name & Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Exhibit A**

Research Project