

SAMSF RESEARCH FUNDING & OPTION AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2002 (the "Effective Date"), by and between _____, a _____ corporation having its principal place of business at _____ (hereinafter "Sponsor"), and the South Alabama Medical Science Foundation, an Alabama non-profit organization having its place of business at P.O. Box U-1060, Mobile, AL 36688-0002 ("SAMSF").

WITNESSETH

WHEREAS, the University of South Alabama College of Medicine ("COM") has independently developed expertise and know-how, in the area of <<description of research area>>; and

WHEREAS, SAMSF is dedicated to furthering the instructional and research objectives of the University of South Alabama College of Medicine, and wishes to disseminate and transfer knowledge generated through said research to the public sector in a manner consistent with its status as a non-profit, tax-exempt organization; and

WHEREAS, SAMSF is the owner by assignment of all legal right, title, and interest in any intellectual property rights and technology developed by faculty and employees of COM and is able to grant option and/or license rights to said intellectual property rights and technology ; and

WHEREAS, Sponsor and SAMSF have a mutual interest in promoting research with respect to such <<description of research area>> and Sponsor wishes to fund such research under the direction of <<PI's NAME>>, <<DEPARTMENT>>, SAMSF University ("Principal Investigator").

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained in this Agreement, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Definitions

As used in this Agreement, the following terms shall have the meaning indicated:

1.1 "Research" shall mean those studies funded by Sponsor which are conducted by the Principal Investigator or others operating under the supervision and control of the Principal Investigator as described in Exhibit 1 attached hereto and incorporated herein by reference.

1.2 "Invention" shall mean any invention or discovery originated and conceived in the performance of the Research which is or may be patentable or otherwise protectable under Title 35 of the United States Code.

1.3 "Patent Rights" shall mean SAMSF'S rights in patents or patent applications, whether domestic or foreign, claiming Inventions arising directly from the Research, including but not limited to, any patents that may issue thereon and any and all provisionals, divisions, continuations, reissues, reexaminations or extensions thereof.

1.4 "Field" shall mean _____

2. Scope of Research

Research will be in accordance with the protocol attached as Exhibit 1. SAMSF shall commence the Research promptly after the effective date of this agreement.

3. Compensation

3.1 In consideration for the Research conducted hereunder, Sponsor will pay SAMSF _____ per year, for each of ___ years, as set forth in the budget attached as Exhibit 2 hereto and incorporated herein by reference.

3.2 Funding for Research shall be paid by Sponsor in equal quarterly installments of each year of the Agreement, the first quarterly installment being due upon execution of this Agreement. Payments will be forwarded by corporate check, payable to the South Alabama Medical Science Foundation, to the attention of:

Mr. Steve Hadley
SAMSF
P.O. Box U-1060
Mobile, AL 36688-0002

4. Reports on Research

Principal Investigator shall provide Sponsor with a written progress report semi-annually. At the termination of the Research, a final comprehensive written report will be provided describing the developments and results obtained. If requested by Sponsor, Principal Investigator shall make periodic oral reports at times convenient to Principal Investigator.

5. Patenting and Ownership of Inventions

5.1 SAMSF does not guarantee that any Inventions or Patent Rights will arise from the Research or that any Patent Rights which may arise from the Research will be free of dominance by other patents.

5.2 Notwithstanding the foregoing, title to any Invention originated, conceived or reduced to practice in the course of the Research solely by Principal Investigator or those under his direction and control shall be solely owned by SAMSF. Title to any Invention conceived or reduced to practice jointly by Principal Investigator or those under his direction and control and by Sponsor employees shall be jointly owned by the parties.

5.3 SAMSF shall disclose in writing to Sponsor any Inventions within thirty (30) days of SAMSF'S written receipt of Invention Disclosure from the Principal Investigator. Within ninety (90) days of USA's disclosure of Invention to Sponsor, Sponsor will either: (1) direct USA to prepare, file and prosecute patent applications, at Sponsor's expense, on said Invention in the United States and such other countries as Sponsor shall determine, or (2) notify USA it is not interested in prosecuting a patent application relating to the Invention. In the event Sponsor elects to direct USA to file and prosecute a patent application, Principal Investigator shall cooperate to the extent necessary to aid in the preparation, filing and prosecution of any such patent application(s).

5.4 In all such countries, including the United States, in which Sponsor has not directed SAMSF to file within said ninety (90) day period, SAMSF may, at its sole cost and expense, prepare, file and prosecute patent applications on said Invention. SAMSF shall notify Sponsor of the filing of any such patent application, but Sponsor shall have no rights with respect thereto.

Any such patent application will not be subject to the terms of this Agreement or the option set forth herein.

6. Grant of Option

6.1 For other good and valuable consideration, SAMSF hereby grants to Sponsor, subject to the rights of the U.S. Government as set forth in 35 USC and 37 CFR Part 401, an exclusive option to negotiate an exclusive, worldwide license to make, have made, use, and sell products covered under the Patent Rights for any commercial indication or purpose within the Field, under commercially feasible terms including but not limited to performance milestones, milestone payments and royalties within the industry norm, and including the right to grant sublicenses. The option period will begin on the date of written disclosure of Invention by SAMSF to Sponsor and will expire ninety (90) days from that date ("Option Period"). Provided that Sponsor has directed that a patent application be filed as set forth in Section 6.3 above, Sponsor may, upon written notice to SAMSF, extend the Option Period for one additional ninety (90) day period at no additional cost. Sponsor may exercise its option at any time during the Option Period by giving written notice to SAMSF.

6.2 Any license agreement arising out of this Agreement will contain provisions that Sponsor shall 1) indemnify SAMSF from all claims for product liability, arising from the manufacture, use, testing or sale of any product, except to the extent that such claim arises from SAMSF's negligence, and 2) carry appropriate insurance, naming SAMSF as a co-insured.

6.3 The parties agree to negotiate the terms of a license in good faith. Such agreement as to the terms of a license shall be reached within a reasonable period of time, not to exceed three (3) months from the date on which Sponsor exercises its option. Said license agreement shall be executed promptly. Should the parties be unable to reach agreement with said three (3) month period, SAMSF will have no further obligations to Sponsor with respect to the Patent Rights and will be free to license the Patent Rights to other entities at its own discretion. Upon execution of the license agreement, the rights and obligations of Sponsor and SAMSF with respect to the Patent Rights shall be governed solely by the terms of the license agreement.

6.4 Notwithstanding the grant of license to Sponsor, SAMSF and the Principal Investigator retain the right to use Patent Rights, Inventions and all results of the Research for educational and research purposes.

6.5 Nothing in this Agreement shall be construed to grant any rights to either party to any Inventions or Patent Rights which were in existence at or before the Effective Date of this Agreement.

7. Confidentiality

SAMSF and Sponsor agree that all information contained in documents marked "Confidential" which are forwarded to one by the other shall be received by the recipient party in strict confidence and not disclosed by the recipient party (except as required by law, governmental regulation or court order), its agents or employees without the prior written consent of an authorized officer of the other party, unless such information:

- (a) was in the public domain at the time of disclosure; or
- (b) later become part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns; or
- (c) was lawfully disclosed to the recipient party by a third party having the right to disclose it; or
- (d) was already known by the recipient party at the time of disclosure, or
- (e) is necessary to file a patent application.

8. Publication

SAMSF and the Principal Investigator will be free to publish the Research and use any results for purposes of research, teaching, and other educationally-related matters. In order to avoid inadvertent disclosure of Sponsor’s Confidential Information, SAMSF shall submit any prepublication or pre-disclosure document to Sponsor for review at least thirty (30) days prior to planned submission for publication or disclosure. Sponsor shall notify SAMSF within thirty (30) days of receipt whether such materials contain Confidential information of Sponsor. SAMSF shall, at Sponsor's written request, delete Sponsor's Confidential information from the intended publication or presentation and in such case, Sponsor can request a delay in publication, but in no event shall the delay in publication exceed thirty (30) days.

9. Indemnification/Insurance

Sponsor shall protect, defend, hold harmless and indemnify SAMSF, COM, the University of South Alabama, their respective directors, trustees, officers, managers, employees, students and agents, and the successors and assigns of any of the foregoing (collectively “Indemnitees”), at the expense of Sponsor, for and from any and all causes of action, court or administrative orders, and liability for any loss, expense, injury, damage, or act arising out of the exercise of this Agreement, except to the extent that such actions result from the negligence of SAMSF.

10. Term and Termination.

10.1 The Term of this Agreement shall be _____ <<years/months>> from the Effective Date unless otherwise amended in writing.

10.2 Sponsor may terminate this Agreement without cause upon sixty (60) days written notice to SAMSF. Obligations incurred prior to the date of termination shall survive termination.

10.3 Should Sponsor fail to make any payment as provided herein, or otherwise fail to perform any of the terms or conditions of the Agreement, and such default shall continue for a period of thirty (30) days after written notice by SAMSF specifying such default, then unless such default is remedied in said thirty (30) day period, this Agreement shall automatically terminate. In this event, all Sponsor’s option rights under this Agreement automatically terminate. Sponsor will be responsible for payment of any commitments incurred prior to the date of termination and will make said payment within thirty (30) days of termination.

10.4 Sponsor may terminate this Agreement at any time with sixty (60) days written notice to SAMSF if the Principal Investigator is unable to continue the work or if the Principal Investigator's affiliation with SAMSF is terminated for any reason provided, however, Sponsor shall be responsible for payment of any commitments incurred prior to the date of termination and will make said payment within thirty (30) days of termination.

11. Notices

Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if mailed by certified mail, postage prepaid and return receipt requested, or by certified courier addressed as follows. The parties hereto shall have the right to notify each other of changes of address throughout the term of this Agreement.

To SAMSF:

SAMSF
PO Box U-1060
Mobile, AL 36688-0002

Attention: Samuel J. Strada, Ph.D., President

with a simultaneous copy to:

Office of Technology Development
University of South Alabama
307 University Boulevard, CSAB 253
Mobile, AL 36688
Attention: Executive Director

To Sponsor:

<<NAME>>
<<ADDRESS>>

12. Assignment

Neither party may assign this Agreement without the express written consent of the other party.

13. Dispute Resolution

If there is any dispute between Sponsor and SAMSF arising under this Agreement, prior to initiating any litigation concerning this Agreement, the parties shall first try in good faith to resolve the dispute by consultation between executives of each entity or by mediation.

14. Warranties

SAMSF MAKES NO WARRANTIES CONCERNING THE RESEARCH OR ANY PATENT RIGHTS WHICH MAY BE SUBJECT TO THIS AGREEMENT. WITHOUT LIMITING THE FOREGOING, SAMSF DOES NOT REPRESENT OR WARRANT THAT THE RESEARCH WILL RESULT IN PATENTS OR INVENTIONS WHICH WILL BE SUBJECT TO A LICENSE. SAMSF MAKES NO WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AS TO ANY LICENSED PRODUCT. SAMSF MAKES NO WARRANTY OR REPRESENTATION AS TO THE VALIDITY OR SCOPE OF ANY PATENT RIGHTS OR THAT ANY LICENSED PRODUCT WILL BE FREE FROM INFRINGEMENT OF PATENTS OF THIRD PARTIES, OR THAT NO THIRD PARTIES ARE IN ANY WAY INFRINGING PATENT RIGHTS.

15. General

15.1 This Agreement constitutes the complete agreement between the parties with regard to the Research. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representative of the parties. Any successor to this contract must reaffirm the entire contract in writing.

15.2 The relationship of Sponsor and SAMSF established by this Agreement is that of independent contractors. Nothing in this Agreement shall be construed to create any other relationship between Sponsor and SAMSF. Neither party shall have any right, power or authority to assume, create or incur any expense, liability or obligation, expressed or implied, on behalf of the other.

15.3 The parties agree not to use the names of the other party or any member of its staff without the prior written permission of the other party.

15.4 The performance, interpretation and any dispute arising from this Agreement shall be governed by the laws of the State of Alabama.

15.5 If any provision of this Agreement shall be found by a court of competent jurisdiction to be void, invalid or unenforceable, the same shall be reformed to comply with applicable law or stricken if not so conformable, so as not to affect the validity of enforceability of this Agreement.

15.6 The failure of a party to enforce any provision of this Agreement shall not be construed to be a waiver of the right of such party thereafter to enforce that provision or any other provision or right.

15.7 Headings included herein are for convenience only, do not form a part of this Agreement and shall not be used in any way to construe or interpret this Agreement.

IN WITNESS WHEREOF, this Agreement has been duly executed as of the day and year first above written.

South Alabama Medical Science Foundation

By: _____
Name: _____
Title: _____
Date: _____

<<SPONSOR>>

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 1

Scope of Work

EXHIBIT 2

Project Budget