**SPONSORED RESEARCH AGREEMENT  
(University Intellectual Property)**

This Sponsored Research Agreement (the "Agreement") is made between The University of Texas \_\_\_\_\_\_\_\_\_\_, ("University"), a component institution of The University of Texas System ("System"), and \_\_\_\_\_\_\_\_\_\_\_\_\_, a corporation with its principal place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ("Sponsor").

**RECITALS**

A. University is pursuing research in the area of \_\_\_\_\_\_\_\_\_\_\_\_.

B. Sponsor is willing to sponsor such research.

C. Sponsor desires to obtain certain rights to patents and technology resulting from the research.

D. University is willing to grant certain rights to patents and technology that result from the research.

NOW THEREFORE, in consideration of the mutual covenants and promises herein made, the University and Sponsor agree as follows:

1. **EFFECTIVE DATE**

This Agreement shall be effective as of \_\_\_\_\_\_\_\_ (the "Effective Date").

1. **RESEARCH PROGRAM** 
   1. University will use its own facilities and its reasonable best efforts to conduct the research program described in Attachment A ("Research Program") under the direction of \_\_\_\_\_\_\_\_\_\_ or [his or her] successor as mutually agreed to by the parties (the "Principal Investigator").
   2. The Research Program shall be carried out from the Effective Date through and including \_\_\_\_\_\_\_\_\_\_ (the "Term"). The parties may extend the Research Program under mutually agreeable terms.
   3. Sponsor understands that University's primary mission is education and advancement of knowledge and the Research Program will be designed to carry out that mission. The manner of performance of the Research Program shall be determined solely by the Principal Investigator. University does not guarantee specific results.
   4. Sponsor understands that University may be involved in similar research through other researchers on behalf of itself and others. University shall be free to continue such research provided that it is conducted separately and by different investigators from the Research Program, and Sponsor shall not gain any rights via this Agreement to other research.
   5. University does not guarantee that any patent rights will result from the Research Program, that the scope of any patent rights will cover Sponsor's commercial interest, or that any patent rights will be free of dominance by other patents, including those based on inventions made by other inventors in the System.
2. **COMPENSATION** 
   1. As consideration for University's performance, Sponsor will pay the University an amount equal to its expenditures and reasonable overhead in conducting the Research Program subject to a maximum expenditure limitation of $\_\_\_. An initial payment of $\_\_\_ shall be made upon execution of this Agreement, and subsequent payments shall be made as follows:
   2. Sponsor will make payments to The University of Texas [at \_\_\_\_\_\_\_\_\_], referencing the Principal Investigator and Research Program title, to the following address: [address].
   3. The Principal Investigator may transfer funds within the budget as needed without Sponsor's approval so long as the scope of work under the Research Program remains unchanged. After termination in compliance with the provisions of Section 11, University will return to Sponsor all uncommitted and unexpended funds.
   4. University shall retain title to all equipment purchased and/or fabricated by it with funds provided by Sponsor under this Agreement.
3. **COMMUNICATION AND REPORTS** 
   1. Sponsor's designated representative for communications with the Principal Investigator shall be \_\_\_\_\_\_ or any other person Sponsor may designate in writing to University and the Principal Investigator ("Designated Representative").
   2. The Principal Investigator will make up to \_\_\_\_\_ oral reports and one written report summarizing the work completed each year of the Research Program. The Principal Investigator shall also submit a comprehensive final report within one hundred twenty (120) days after termination of the Agreement. The [Office of Accounting] will submit a financial report of related Research Program expenses within [\_\_\_\_\_\_\_ (\_\_\_\_)] days after termination.
4. **PUBLICITY**

Neither party will reference the other in a press release or any other oral or written statement in connection with the Research Program and its results intended for use in the public media, except as required by the Texas Public Information Act or other law or regulation. University, however, may acknowledge Sponsor's support of the Research Programt in scientific or academic publications or communications without Sponsor's prior approval. In any permitted statements, the parties shall describe the scope and nature of their participation accurately and appropriately.

1. **PUBLICATION**

The Principal Investigator has the right to publish or otherwise publicly disclose information gained in the course of the Research Program. In order to avoid loss of patent rights as a result of premature public disclosure of patentable information, University will submit any prepublication materials to Sponsor for review and comment at least sixty (60) days prior to planned submission for publication. Sponsor shall notify University within thirty (30) days of receipt of such materials whether they describe any inventions or discoveries subject to the parties' rights under Section 8. University shall have the final authority to determine the scope and content of any publications.

1. **CONFIDENTIAL INFORMATION** 
   1. The parties may wish to disclose confidential information to each other in connection with work contemplated by this Agreement ("Confidential Information"). Each party will use reasonable efforts to prevent the disclosure of the other party's Confidential Information to third parties for a period of three (3) years after the termination of this Agreement, provided that the recipient party's obligation shall not apply to information that:
      1. is not disclosed in writing or reduced to writing and marked with an appropriate confidentiality legend within thirty (30) days after disclosure;
      2. is already in the recipient party's possession at the time of disclosure;
      3. is or later becomes part of the public domain through no fault of the recipient party;
      4. is received from a third party having no obligations of confidentiality to the disclosing party;
      5. is independently developed by the recipient party; or
      6. is required by law or regulation to be disclosed.
   2. In the event that information is required to be disclosed pursuant to subsection (vi), the party required to make disclosure shall notify the other to allow that party to assert whatever exclusions or exemptions may be available to it under such law or regulation.
2. **PATENTS, COPYRIGHTS, AND TECHNOLOGY RIGHTS**

Title to all inventions and discoveries made by University resulting from the Research Program shall reside in University; however, University grants to Sponsor an option to negotiate an exclusive, worldwide, royalty-bearing license to make, use or sell under any invention or discovery made and conceived during the term of this Agreement and directly resulting from the performance of Research Program, with the right to sublicense with accounting to University. Sponsor shall have three (3) months from disclosure of any invention or discovery to notify University that it wants to enter into such a license agreement. The parties shall negotiate in good faith for a period not to exceed six (6) months from Sponsor’s notification or a longer period of time if the parties mutually agree to extend negotiations. If Sponsor and University fail to enter into an agreement, the rights to such inventions and discoveries shall be disposed of in accordance with University policies, with no obligation to Sponsor. Until an invention or discovery has been presented as set forth above, University shall not offer rights to that invention or discovery to any third party. In the event Sponsor elects to exercise its option as detailed above, it shall be obligated to pay all patent expenses for the licensed invention or discovery. This shall include but not be limited to the cost of any activities investigating patentability before Sponsor's exercise of the option. In most cases Sponsor will be asked to determine whether it will exercise its option prior to the filing of the first patent application.

1. **LIABILITY** 
   1. Sponsor agrees to indemnify and hold harmless System, University, their Regents, officers, agents and employees from any liability, loss or damage they may suffer as a result of claims, demands, costs or judgments against them arising out of the activities to be carried out pursuant to the obligations of this Agreement, including but not limited to the use by Sponsor of the results obtained from the activities performed by University under this Agreement; provided, however, that the following is excluded from Sponsor's obligation to indemnify and hold harmless:
      1. the negligent failure of University to substantially comply with any applicable governmental requirements; or
      2. the negligence or willful malfeasance of any Regent, officer, agent or employee of University or System.
   2. Both parties agree that upon receipt of a notice of claim or action arising out of the Research Program, the party receiving such notice will notify the other party promptly. Sponsor agrees, at its own expense, to provide attorneys to defend against any actions brought or filed against University, System, their Regents, officers, agents and/or employees with respect to the subject of the indemnity contained herein, whether such claims or actions are rightfully brought or filed; and subject to the statutory duty of The Texas Attorney General, University agrees to cooperate with Sponsor in the defense of such claim or action.
2. **INDEPENDENT CONTRACTOR**

For the purposes of this Agreement and all services to be provided hereunder, the parties are independent contractors and not agents or employees of the other party. Neither party shall have authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other party, except as expressly provided herein or authorized in writing.

1. **TERM AND TERMINATION** 
   1. This Agreement may be terminated by the written agreement of both parties.
   2. In the event that either party shall be in default of its material obligations under this Agreement and shall fail to remedy such default within sixty (60) days after receipt of written notice thereof, this Agreement shall terminate upon expiration of the sixty (60) day period.
   3. Termination or cancellation of this Agreement shall not affect the rights and obligations of the parties accrued prior to termination. Upon termination, Sponsor shall pay University for all reasonable expenses incurred or committed to be expended as of the effective termination date, including salaries for appointees for the remainder of their appointment.
   4. Any provisions of this Agreement which by their nature extend beyond termination shall survive such termination.
2. **ATTACHMENTS**

Attachment A is incorporated herein and made a part of this Agreement for all purposes.

1. **GENERAL** 
   1. This Agreement may not be assigned by either party without the prior written consent of the other party; provided, however, that subject to the approval of University, which may not be unreasonably withheld, Sponsor may assign this Agreement to any purchaser or transferee of all or substantially all of Sponsor's assets or stock upon prior written notice to University, and University may assign its right to receive payments hereunder.
   2. This Agreement constitutes the entire and only agreement between the parties relating to the Research Program, and all prior negotiations, representations, agreements and understandings are superseded hereby. No agreements altering or supplementing the terms hereof may be made except by means of a written document signed by the duly authorized representatives of the parties.
   3. Any notice required by this Agreement by Articles 8, 9, or 11 shall be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of University to:

UNIVERSITY  
ADDRESS  
CITY, STATE ZIP  
ATTN: (CONTACT PERSON)  
FAX:   
PHONE:

or in the case of Sponsor to:

SPONSOR  
ADDRESS  
CITY, STATE ZIP  
ATTN: (CONTACT PERSON)  
FAX:  
PHONE:

or at such other addresses as may be given from time to time in accordance with the terms of this notice provision.

Notices and other communications regarding the day-to-day administration and operation of this Agreement shall be mailed (or otherwise delivered), and addressed in the case of University to:

UNIVERSITY  
ADDRESS  
CITY, STATE ZIP  
ATTN: (CONTACT PERSON)  
FAX:  
PHONE:

or in the case of Sponsor to:

SPONSOR  
ADDRESS  
CITY, STATE ZIP  
ATTN: (CONTRACT PERSON)  
FAX:  
PHONE:

* 1. This Agreement shall be governed by, construed, and enforced in accordance with the internal laws of the State of Texas.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives.

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| SPONSOR  By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | UNIVERSITY OF TEXAS  By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |