

TEMPLATE
**INTER-INSTITUTIONAL AGREEMENT BETWEEN
CO-OWNERS OF INTELLECTUAL PROPERTY**

The Board of Supervisors of Louisiana State University and Agricultural and Mechanical College, a Louisiana public constitutional corporation ("**LSU**"); and *, a * nonprofit corporation ("*"); enter into this Inter-Institutional Agreement between Co-Owners of Intellectual Property (the "**Agreement**") effective the 1st day of *, 200* (the "**Effective Date**").

Whereas at all pertinent times **{Name(s) of LSU Inventor(s)}** has/?**have** been employed by LSU and has/?**have** been under an obligation to assign inventions to LSU;

Whereas at all pertinent times **{Name(s) of * Inventor(s)}** has/?**have** been employed by * and has/?**have** been under an obligation to assign inventions to *;

Whereas **{LSU Inventor(s)}** and **{* Inventor(s)}** have made an invention concerning * that is co-owned by LSU and *; and

Whereas LSU and * wish to enter into this Agreement to establish a means for filing and prosecuting the Patent Rights, for administering and licensing the Patent Rights, and for sharing income derived from licensing the Patent Rights;

Therefore LSU and * agree as follows:

1. **Definitions.** The terms defined in the preamble above shall have the meanings given there. Additional definitions are the following:
 - 1.1. **“Administration Fee”** shall mean a fee equal to _____ percent (___%) **{Option: a fee from 5 to 15%}** of Income.
 - 1.2. **“Income”** shall mean any monetary payments or other consideration received by a party under the terms of a License Agreement, including without restriction, fees, equity, payments from brokers, option fees, milestone payments, and royalties.

- 1.3. “**License Agreement(s)**” shall mean any agreement(s) entered into by LSU, *, and a third party that grants a third party the right to make, use, or sell products or use processes covered by Patent Rights.
- 1.4. “**Net Income**” shall mean Income minus the Administrative Fee.
- 1.5. A “**party**” or “**parties**” shall mean LSU, *, or both.
- 1.6. The “**Patent Rights**” shall mean: **(i)** {**LSU Inventor(s)**} and {*** Inventor(s)**}, “{**Title of Application**},” United States patent application serial number {**serial number**}, filed {**filing date**}, 200*; **(ii)** any United States patent application that claims the benefit of the filing date of the application of part (i) above under 35 U.S.C. § 119(e) or 35 U.S.C. § 120, provided in such a case that only those claims supported by the specification of the original application of part (i) shall be included (unless the parties agree otherwise in a separate written document); **(iii)** any United States patent, reissue patent, or reexamination certificate resulting from the application(s) of parts (i) and (ii) above, including any extension of the term of any such patent; and **(iv)** any non-United States patent or patent application substantially corresponding to any of items (i) through (iii) above.

2. **Assignment and Co-Owners.**

- 2.1. LSU and * shall be equal co-owners of the Patent Rights.
- 2.2. LSU shall cause {**LSU Inventor(s)**}, by separate written document, to assign {**LSU Inventor(s)**}’s entire right, title, and interest in the Patent Rights to LSU. * shall cause {*** Inventor(s)**}, by separate written document, to assign {*** Inventor(s)**}’s entire right, title, and interest in the Patent Rights to *. The executed assignment documents shall be forwarded to LSU’s patent counsel, who will then record those assignment documents in the Assignments Branch of the United States Patent and Trademark Office.
- 2.3. Neither LSU nor * shall invoke the CREATE ACT (pursuant to 35 U.S.C. §103(c)) to overcome a rejection of any invention claimed in a patent application outside the Patent Rights unless that invention is also jointly owned by LSU and *.

3. Patent Prosecution and Maintenance.

3.1. LSU shall manage the preparation, filing, prosecution, issuance, maintenance, and abandonment of the Patent Rights in LSU's sole discretion, in such countries as LSU sees fit. LSU shall reasonably consider any input offered by * concerning these matters. LSU shall promptly send to * copies of all communications to or from the United States Patent and Trademark Office (or other countries' patent offices) concerning the Patent Rights. LSU shall have no liability to * on account of any action or inaction in the preparation, filing, prosecution, issuance, maintenance, or abandonment of the Patent Rights.

3.2. Promptly following quarterly invoice from LSU, * shall reimburse _____ percent (____%) of the reasonable legal and other expenses thus incurred by LSU. **{% should reflect % distribution of net income in Paragraph 5.1}**

3.3. On thirty (30) days' written notice, either party may avoid further obligation for any future expenses incurred in connection with the Patent Rights in any or all countries (but not its obligation to reimburse expenses previously accrued), by assigning to the non-abandoning party in writing all interest of the abandoning party in the Patent Rights in each affected country. The non-abandoning party shall then reimburse from future Income, if any, attributable to the affected country, all unreimbursed patent expenses incurred by the abandoning party in prosecuting the patent application in the affected country until thirty (30) days after the date of the notice.

4. Licensing.

4.1. Neither party may license, sell, assign, mortgage, enter a brokerage arrangement, or otherwise transfer or encumber all or any part of its interest in the Patent Rights without the prior written consent of the other party. Each party shall have the right to contact potential licensees of the invention claimed in the Patent Rights. Each license, assignment, brokerage arrangement, or other transfer of rights in the Patent Rights shall be made jointly in the names of, and must be executed by both parties to be effective.

- 4.2. Unless circumstances (such as a prior relationship with the potential licensee) strongly suggest that a different arrangement is preferable, LSU shall act as the common representative of the parties in any license negotiations, and * shall refer all serious licensing inquiries to LSU's Office of Intellectual Property. LSU shall keep * informed as to the status of any negotiations, and shall consult with * regarding any major decisions to be made in the course of negotiations.
- 4.3. Each License Agreement shall, at a minimum, contain the following provisions: (1) the duty to indemnify LSU and * against any and all claims, including attorney's fees and costs, arising from the commercialization and use of the Patent Rights, including claims of infringement of third-party rights; (2) the duty to obtain and maintain reasonable levels of liability insurance, naming both LSU and * as additional insureds; and (3) a statement of representations and warranties that provides at least the same level of protection as those of Paragraph __ of this Agreement.
- 4.4. Neither party may practice on a commercial basis any invention covered by the Patent Rights without the prior written consent of the other party. Each party shall have the unrestricted right to practice such inventions for noncommercial, educational, or research purposes.

5. Licensing Income and Records.

- 5.1. Except as provided in Paragraph 8 for litigation proceeds, all Income shall be received by LSU in the first instance as the common representative of the parties. LSU shall retain ___% Income as an Administration Fee. The cumulative total of all Administration Fees shall not exceed _____ USD (\$ _____) **{Option: \$25,000 to \$100,000}. LSU shall retain _____ percent (____%) [depends on relative contribution of each party to IP] of all Net Income as LSU's share. Within sixty days of receipt LSU shall pay _____ percent (____%) of all Net Income to * as *'s share.** Each party shall pay that portion of Net Income to which inventors may be entitled under each party's respective institutional intellectual property policies. Neither party shall be

liable to pay any portion of Income to any inventor employed by the other party, nor to any other employee of the other party.

5.2. LSU shall keep full and accurate books and records showing expenses incurred under Paragraph 3 above in accordance with good accounting practice, and Income received under Paragraph 5.1 above. Upon request, within sixty (60) days, LSU shall provide * a report setting forth such details as may be necessary for the accurate determination of charges and payment due *. * shall be entitled to inspect and copy these records at LSU's offices, during normal business hours, on ten days' written notice.

5.3. If rights under other patents or proprietary rights owned in part or in whole by either LSU or * are also included in a License Agreement, then the parties shall agree as to the relative values to be allocated to the Patent Rights and to the other patents and proprietary rights. The portion of consideration from such License Agreement that shall be treated as Income to be shared pursuant to Paragraph 5.1 shall be determined in accordance with the relative value assigned to the Patent Rights in proportion to the total value represented by all patent rights and proprietary rights included within said License Agreement.

6. Term and Termination.

6.1. This Agreement is effective from the date in the preamble, and will remain in effect until the earlier of: (1) the expiration of the last-to-expire patent under the Patent Rights (or the abandonment of the last pending application within the Patent Rights, if no patent within the Patent Rights ever issues); or (2) sixty (60) days following notice from either party given at any time more than five (5) years after the date in the preamble of this Agreement if no License Agreement providing rights under the Patent Rights remains in effect.

6.2. If either party defaults in the timely payment of any monies due to the other, or commits any material breach of any other covenant herein contained, and such party fails to remedy any such breach or default within ninety (90) days after written notice thereof by the non-breaching party, this Agreement

shall terminate, and each party shall be free to license its interest in the Patent Rights in accordance with applicable law.

6.3. Nothing in this Agreement will be construed to release either party from any obligation matured prior to the effective date of termination. Termination of this Agreement shall not affect any previously-executed License Agreements for such Patent Rights, and any income from such previously executed License Agreements shall be distributed to the parties in the percentages specified in Paragraph 5.1.

7. Publication. Each party shall have the right to make such publications as it sees fit concerning the inventions described in the Patent Rights.

8. Infringement. If either party becomes aware of any actual or potential infringement of the Patent Rights, it shall notify the other party as soon as possible. The parties shall confer with one another in advance concerning the control of an actual or threatened lawsuit, arbitration, mediation, interference, reexamination, or reissue concerning the Patent Rights; as well as to how any resulting expenses will be allocated and, where appropriate, how any resulting proceeds will be allocated. Neither party shall initiate any lawsuit concerning the Patent Rights without the prior written consent of the other.

9. Representations and Warranties.

9.1. Each party represents that as of the Effective Date it is aware of no claim that any third party (except the United States government as provided in Paragraph 10) might have to any license right, ownership right, security interest, or any other interest in the Patent Rights.

9.2. Nothing in this Agreement shall be construed as:

(a) establishing a fiduciary relationship between the parties; nor as establishing a fiduciary relationship between either party and any individual (whether or not the individual is employed by either party);

- (b) a warranty or representation concerning the validity, enforceability, scope, or inventorship of any patent or patent application;
- (c) a warranty or representation that the practice of any invention is or will be free from infringement of patents of third parties or other rights of third parties;
- (d) establishing a partnership, joint venture, agency, or employer-employee relationship between the parties; and neither party shall represent the contrary to anyone else; or
- (e) a warranty or representation that the Patent Rights will ever be licensed, or that any Income will ever be received.

10. United States Government Interests. It is understood that the United States Government may have rights pursuant to 35 U.S.C. § 202-212 and applicable regulations to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of the Patent Rights for governmental purposes. Where applicable, any License Agreement granted pursuant to this Agreement shall be subject to such rights.

11. Use of Names. Neither party shall make any use whatsoever of the other party's name, marks, insignia, or logos; or of the name of any of any campus, department, center, or institute of the other party; or the name of any employee of the other party (including without limitation the name of any named inventor of the Patent Rights); in news releases, advertisements, promotional materials, or otherwise, without the prior written consent of the affected party for each such use. As an exception to the foregoing, either party may advise prospective licensees, in a factual manner, of the other party's co-ownership of the Patent Rights, and of the names of the inventors of the Patent Rights.

12. Notices. All written notices, payments, and other correspondence under this Agreement shall be considered given when deposited in the United States Mail, first class postage prepaid to the address set forth below, or such other address as the party specifies by written notice:

LSU:

*:

{Names and Addresses for notices}

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*
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*

These names or addresses may be changed by giving notice as provided in this Paragraph.

13. Nonassignability. This Agreement binds and inures to the benefit of the parties, their successor or assigns, but may not be assigned by either party without the prior written consent of the other party, which consent will not be unreasonably withheld.

**BOARD OF SUPERVISORS OF LOUISIANA STATE UNIVERSITY
AND AGRICULTURAL AND MECHANICAL COLLEGE**

By: _____

Date: _____, 200*

*

By: _____

Date: _____, 200*

*, *