**SPONSORED RESEARCH AGREEMENT**

This Agreement between [insert name] a business concern organized as a under the laws of and having a principal place of business at (COMPANY) and Texas State University having a principal place of business at 601 University Dr., San Marcos, TX 78666 (TEXAS STATE) is entered into for the purpose of allocating between the parties certain rights relating to research project to be carried out by COMPANY and TEXAS STATE (Parties).

**1.** **STATEMENT OF WORK**.

 TEXAS STATE agrees to use all reasonable efforts to perform that portion of the research program " " allocated to TEXAS STATE in the Scope of Work attached hereto (ATTACHMENT A).

**2. PRINCIPAL INVESTIGATOR**.

 The TEXAS STATE portion of the research program will be supervised by TEXAS STATE Principal Investigator (PI). If, for any reason, PI is unable to continue to serve as TEXAS STATE Principal Investigator, a successor will be designated by TEXAS STATE and COMPANY will be so notified.

 The COMPANY Principal Investigator for this collaboration shall be [insert name] (COMPANY PI). If, for any reason, he/she is unable to continue to serve as the COMPANY PI, a successor will be designated by COMPANY and TEXAS STATE will be notified.

**3.** **PERIOD OF PERFORMANCE**.

 This agreement is effective upon full execution and shall continue until [Insert Date]      .

**4.** **PAYMENT**.

 4.1. COMPANY will pay TEXAS STATE in U.S. dollars $ as described in Attachment B, Budget, upon receipt of an invoice from TEXAS STATE. TEXAS STATE will submit a final financial accounting of all costs incurred and all funds received to COMPANY within ninety days following the completion of the project.

 4.2. DEFAULT. Failure by COMPANY to make payment in accordance with the payment provisions of Section 4 shall be considered an Event of Default. In the event of default, COMPANY shall provide a plan for curing such default within 15 days of the default event. Such plan must be approved by UNIVERSITY, in writing, and signed by its Authorized official. The implementation of the Plan shall commence upon written acceptance of the plan to implement a cure to the satisfaction of UNIVERSITY.

**5.** **BACKGROUND INTELLECTUAL PROPERTY.**

(a) "**Background Intellectual Property (BIP)"** means property and the legal right therein of either or both parties developed before or independent of this Agreement including inventions, patent applications, patents, copyrights, trademarks, mask works, trade secrets and any information embodying proprietary data such as technical data and computer software.

 (b) If one or both Parties own or otherwise control Background Intellectual Property that is necessary for the commercialization of the results of this Agreement, the Parties agree that to the extent they have the right to do so, each will extend to the other an opportunity to negotiate, in good faith and on terms that are fair and reasonable, license rights to Background Intellectual Property to the extent such background license rights are necessary to the commercialization of Agreement results. Background Intellectual Property rights are "necessary" if there is no reasonable alternative to achieve the equivalent function of the Background Intellectual Property and if utilization of such Background Intellectual Property would be infringing if licenses were not granted. In the case of Background Intellectual Property of TEXAS STATE, this paragraph shall apply only to that intellectual property, which has been developed, in whole or in part, by TEXAS STATE's Principal Investigator and other TEXAS STATE faculty, graduate students and staff participating in the research program.

**6. INTELLECTUAL PROPERTY**

(a) **"Project Intellectual Property (PIP)"** means the legal rights relating to inventions (including Subject Inventions as defined in 37 CFR 401), patent applications, patents, copyrights, trademarks, mask works, and computer software, first made or generated in performance of the Research Agreement.

**6.1** **Invention Ownership**

Unless otherwise agreed in writing, Project Intellectual Property shall be owned by the party whose employees make or generate the Project Intellectual Property.

(a) Any Invention or other intellectual property made or developed jointly during the performance of this Agreement will be jointly owned by the employers of the inventors, for which purpose only, students of University will be treated as if they were employees of University.

(b) Jointly made or generated Project Intellectual Property shall be jointly owned. University shall have the first option to perfect the rights in jointly made or generated Project Intellectual Property, provided that any patent filing or copyright registration shall be made in the name of both COMPANY and TEXAS STATE. In the event COMPANY elects not to perfect the rights in joint Project Intellectual Property, TEXAS STATE shall thereafter have the right to do so.

(c) The Parties agree to execute a Joint Intellectual Property Management Agreement at the time of disclosure. The agreement shall, at a minimum, contain communications strategies, designate one Party as lead in commercialization efforts of the Joint Intellectual Property, and contain a revenue and cost-sharing plan.

(d)The PARTIES agree to disclose to each other, in writing, each and every Project Intellectual Property, which may be patentable or otherwise protectable under the United States patent laws in Title 35, United States Code. The PARTIES acknowledge that they will disclose PIP to each other within two months after their respective inventor(s) inventors first disclose the invention in writing to the person(s) persons responsible for patent matters of the disclosing Party. All written disclosures of such inventions shall contain sufficient detail of the invention, identification of any statutory bars, and shall be marked confidential.

## 6.2 Option to License

Company will have an option to license the Project Intellectual Property of University subject to any 3rd party rights, as follows:

(a) Company shall have an exclusive option to license University Project Intellectual Property for an option period of 3 months[[1]](#endnote-1) after such Property has been reported to Company. The option period may be extended for another 3 months by giving written notice to University prior to the expiration date of the initial option period.

(b) During the option period Company may request, in writing, and at Company expense, that University pursue and maintain patent protection for University owned Project Intellectual property. Company shall reimburse patent expenses and legal fees within 60 days of receipt of an invoice from University.

(c) Company may terminate the Option period by providing University 30 days written notice. Upon receipt of such notice, University may, at its sole discretion, discontinue pursuit of option-related patents and shall promptly invoice Company for expenses to the date of termination. Company shall reimburse patent expenses and legal fees within 60 days of receipt of an invoice from University. No further costs may be charged to the Company from the date of termination.

(d) University may terminate option period upon failure of Company to reimburse patent and legal expenses.

(e) At any time prior to the expiration date of the option period, the Parties agree to promptly enter into good faith negotiations for a License Agreement under University’s patent rights. The specific terms of the license will be determined during the negotiations process but shall, at a minimum, include payment terms, reimbursement of University patent and legal expenses incurred in seeking and maintaining patent protection. And, in the case of an exclusive license, reasonable milestones and minimum royalties shall be included.

(f) If the University Intellectual Property is other than a patentable invention, University shall grant to Company the same option terms outlined in section 6.2.

(g) Copyright Ownership and Licenses. Texas State will own the title to any copyrightable material first produced under this agreement by its faculty, staff, or students. However, Texas State will grant to the Company an irrevocable, royalty free, non-transferable, non-exclusive right and license to use, reproduce, display, distribute, and perform all such copyrightable materials other than computer software and its documentation.

(1) Texas State will grant to the Company an irrevocable, royalty free, non-transferable, non-exclusive right and license to use, reproduce, display, distribute, and perform computer software and its documentation specified to be developed and delivered under Exhibit A for the Company’s internal purposes.

(2) Company may negotiate a non-exclusive (or exclusive, if Texas State deems it appropriate) royalty bearing license to use, reproduce, display, distribute, and perform such computer software and its documentation for commercial purposes.

(h) Tangible Research Property. If Texas State elects to establish property rights other than patents to any tangible research property (such as biological materials) developed during the course of the research, Texas State and the Company will determine the disposition of rights to such property by separate agreement. Texas State will, at a minimum, reserve the right to use and distribute tangible research property for research purposes.

(i) License Effective Date. All licenses elected by the Company under this section will become effective as of the date that the parties sign a subsequent license agreement.

**7.** **FOLLOW-ON RESEARCH OR DEVELOPMENT.**

All follow-on work, including any licenses, contracts, subcontracts, sublicenses or arrangements of any type, shall contain appropriate provisions to implement the Project Intellectual Property rights provisions of this Agreement and insure that the Parties obtain and retain such rights granted herein in all future resulting research, development, or commercialization work.

**8. CONFIDENTIALITY & PUBLICATION.**

(a) The free dissemination of information is an essential and long-standing policy of TEXAS STATE. However, under exceptional circumstances, TEXAS STATE recognizes that it may properly hold in confidence data supplied by a company which TEXAS STATE considers essential for the conduct of a research program. Accordingly, TEXAS STATE's acceptance and use of any proprietary data which may be supplied by COMPANY in the course of this research project shall be subject to the following: The data must be marked or designated in writing as proprietary to COMPANY. Access to proprietary data shall not be a condition precedent to meaningful participation by students at TEXAS STATE

(b) Subject to the terms of paragraph (a) above, either Party may publish its results from this research project. However, the publishing Party shall provide the other Party a thirty-day (30) period in which to review proposed publications, identify proprietary or confidential and patentable information, and to submit comments. The publishing Party shall not publish or otherwise disclose proprietary or confidential information identified by the other Party and the publishing Party will give full consideration to all comments before publication. Furthermore, upon request of the reviewing Party, publication will be deferred for up to sixty (60) additional days for preparation and filing of a patent application which the reviewing Party has the right to file or to have filed at its request by the publishing Party.

**9.** **LIABILITY.**

(a) This indemnity provision applies to Texas State only to the extent permitted by Texas law. Texas State does not waive any of its defenses, including the defense of governmental immunity.

(b) 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 this RESEARCH project.

(c) COMPANY will indemnify and hold harmless TEXAS STATE with regard to any claims arising in connection with commercialization of the results of this research project by or under the authority of COMPANY.

**10.** **TERMINATION.**

Either party may terminate this Agreement for any reason by giving the other party at least 60 days’ written notice of termination. Upon termination COMPANY will pay Texas State as provided in section 4, including reimbursement for non-cancellable commitments.

**11. SURVIVORSHIP**.

The provisions of sections 6, 9, 10, 11, 12, 14, and 17 shall survive any expiration or termination of this agreement.

**12. USE OF NAMES.**

Neither Party will use the name of the other in any advertising or other form of publicity without the written permission of the other.

**13.** **NOTICES.**

Any required notices under this Agreement shall be in writing delivered by first class mail (air mail if not domestic) addressed to the Parties as follows:

 **TEXAS STATE PI**

 **Name:**

 **Address:**

 **Phone:**

 **Fax:**

 **Email:**

**With copy to:**

 **COMPANY PI**

 **Name:**

 **Address:**

 **Phone:**

 **Fax:**

 **Email:**

If notices, statements and payments required under this Agreement are sent by certified or registered mail by one Party to the other Party at its above address, they shall be deemed to have been given or made as of the date shown on the acknowledgement of receipt.

**14. GOVERNING LAW.**

The validity and interpretation of this Agreement and the legal relation of the parties to it shall be governed by the laws of the State of Texas and the United States.

**15. ASSIGNMENT.**

This agreement shall not be assignable by either party without the prior written consent of the other party. Any and all assignments not made in accordance with this section shall be null and void.

**16. ENTIRE AGREEMENT.**

Unless otherwise specified, this Agreement embodies the entire understanding between TEXAS STATE and the COMPANY for this project, and any prior or contemporaneous representations, either oral or written are hereby superseded. No amendments or changes to this Agreement shall be effective unless made in writing and signed by authorized representatives of the Parties.

**17. DEFAULT**

Failure by any Party to meet their obligations under this Agreement may be determined to be a Breach of Contract. If a Party determines that the other Party is in default of any term, that Party shall deliver written notice to the other Party to the contacts listed in Clause 13, NOTICES. The defaulting Party shall then have thirty (30) days to cure the breach. If the Parties are unable to reach an agreement regarding cure, the Agreement shall be terminated in accordance with Clause 10, TERMINATION. In the event of termination for cause, all Option Rights described in Clause 6, INTELLECTUAL PROPERTY shall be null and void.

**18. DISPUTES.**

The parties will use the dispute resolution process provided for in Chapter 2260 of the Texas Government Code to attempt to resolve any claim that COMPANY makes for breach of this agreement.

**19. EXPORT CONTROL**.

The Parties agree to comply with U.S. export control regulations. If a Party desires to disclose to another Party hereto, whether directly or indirectly, any information, technology or data that is identified on any U.S. export control list, including the Commerce Control List of 15 C.F.R. Part 774 and the U.S. Munitions List of 22 C.F.R. 121, the Disclosing Party will advise the Receiving Party at the time of disclosure and the Receiving Party will advise the Disclosing Party if it desires to take receipt of the export-controlled materials. No information subject to export controls may be provided to another party hereto without the written consent of the Receiving Party’s Notice Contact.

**AGREED TO AND ACCEPTED:**

**COMPANY Texas State University**

By: By:

Print name: Print name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: Date:

1. Term is negotiable but must be limited to a reasonable amount of time. [↑](#endnote-ref-1)