

INTELLECTUAL PROPERTY ADMINISTRATION AGREEMENT
between
BOARD OF REGENTS OF THE UNIVERSITY SYSTEM OF GEORGIA
and
UNIVERSITY OF GEORGIA RESEARCH FOUNDATION, INC.

THIS AGREEMENT dated the 8th day of November, 1995 is made by and between the Board of Regents of the University System of Georgia ("BOARD OF REGENTS") for and on behalf of The University of Georgia ("UGA") and the University of Georgia Research Foundation, Inc. ("UGARF").

WITNESSETH:

WHEREAS, faculty, staff and students of UGA, in the course of their employment at UGA and through the use of UGA resources, have developed Intellectual Property and the BOARD OF REGENTS believes they will continue to develop such Intellectual Property; and

WHEREAS, on February 24, 1994, the BOARD OF REGENTS adopted a new intellectual property policy (the "Regents Intellectual Property Policy"); and

WHEREAS, on November 8, 1995, UGA adopted a new intellectual property policy (the "UGA Intellectual Property Policy"), a copy of which is attached as Exhibit A and incorporated herein by reference, which is consistent with the Regents Intellectual Property Policy; and

WHEREAS, the BOARD OF REGENTS and UGA desire to enter into an agreement which provides for the evaluation, protection and commercialization of Intellectual Property developed at UGA and covered by the UGA Intellectual Property Policy; and

WHEREAS, the BOARD OF REGENTS and UGA further desire that income from the commercialization of such Intellectual Property be shared with Originators and used to provide means for the advancement and extension of technical and scientific investigation, research, experimentation and education at UGA; and

WHEREAS, UGARF is prepared to evaluate such Intellectual Property and to attempt to introduce same into use as it deems possible and desirable, using such ways and means as its considered judgement dictates; and

WHEREAS, effective April 1, 1979 the BOARD OF REGENTS and UGARF entered into an Invention Administration Agreement (the "Invention Administration Agreement") whereby the BOARD OF REGENTS assigned to UGARF all of its right, title and interest in and to any inventions which resulted from activities of faculty, staff and students of UGA under the UGA patent policy as existed then or as may be subsequently amended or revised; and

WHEREAS, BOARD OF REGENTS and UGARF wish to extend the Invention Administration Agreement to include all Intellectual Property, as defined in the UGA Intellectual Property Policy, developed at UGA.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the parties agree as follows.

1. The parties agree that this Agreement supersedes the Invention Administration Agreement with respect to any matters that are covered by this Agreement. Any and all assignments made to UGARF under the Invention Administration Agreement which resulted from activities of faculty, staff and students of UGA under previous UGA patent policies dated June 1, 1956, a copy of which is attached as Exhibit B and incorporated herein by reference, July 8, 1974, a copy of which is attached as Exhibit C and incorporated herein by reference, and June 9, 1982, a copy of which is attached as Exhibit D and incorporated herein by reference remain in force.

2. BOARD OF REGENTS Duties

A. BOARD OF REGENTS for and on behalf of UGA hereby assigns to UGARF all of its right, title, and interest in and to any Intellectual Property developed or created which shall result from activities of faculty, staff and students of UGA under the UGA Intellectual Property Policy, as exists now or as may be subsequently amended or revised. This assignment includes any assignable right, title, and interest to such properties acquired under governmental or private contracts, grants, or the like.

B. BOARD OF REGENTS will cause faculty, staff and students of UGA to:

(i) Submit to UGARF for evaluation all Intellectual Property disclosures developed pursuant to the UGA Intellectual Property Policy.

(ii) Advise UGARF at the time of submission of each Intellectual Property disclosure of any commitments BOARD OF REGENTS, UGA, or the Originator(s) have made to any third party for licenses or other rights to subject Intellectual Property or the rights thereon.

(iii) Assign to UGARF all of their right, title, and interest to Intellectual Property submitted to UGARF pursuant to Paragraph 3.A., above, which UGARF shall elect to accept and administer under this Agreement, together with the rights thereon.

(iv) Advise and assist UGARF, upon request, in seeking protection upon and otherwise administering under this Agreement any Intellectual Property which UGARF chooses to administer hereunder, without charge therefor.

3. UGARF's Duties

Subject to BOARD OF REGENTS complying with the duties set forth above UGARF will use reasonable efforts to:

A. Evaluate all Intellectual Property Disclosures submitted to UGARF pursuant to Paragraph 3.B above, within a reasonable time after receipt and advise the Originator(s) whether or not it will administer each such Intellectual Property. The choice whether or not to administer such Intellectual Property shall be at the sole discretion of UGARF.

B. With respect to Intellectual Property which UGARF chooses to administer under this Agreement:

(i) Attempt to acquire and perfect rights to the Intellectual Property in accordance with the relevant statutes by communicating with the Originator(s) on the Intellectual Property, by retaining counsel and

by paying counsel and necessary fees. The choice where to file and the choice of counsel shall be at the sole discretion of UGARF.

(ii) Attempt to commercialize the Intellectual Property by submitting nonconfidential disclosures to third parties, by entering into confidential disclosure agreements with third parties, and by entering into license agreements with third parties regarding use of the Intellectual Property. The choice of licensees and the terms contained in the licenses² shall be at the sole discretion of UGARF.

(iii) Calculate Net Income for each quarter of the fiscal year for each Intellectual Property it administers and make payments of Net Income received to the Originator(s) of said Intellectual Property according to the UGA Intellectual Property Policy.

(iv) Carry forward negative Net Income figures to be used in the following quarter's computation of net income.

C. With respect to Intellectual Property which UGARF chooses not to administer or chooses to cease administering, assign, release or reassign as appropriate to the Originator(s), pursuant to the UGA Intellectual Property Policy.

4. Sponsor's Rights

This Agreement is expressly subject to such terms and conditions as may be imposed on Intellectual Property protection or licensing disposition, administration or royalty distribution of any Intellectual Property administered hereunder and the rights thereon as the result of any rights the United States Government or any other sponsor may have or be entitled to have in such Intellectual Property or rights as the result of any agreement, contract, grant or funding related to the research or other work that resulted in such Intellectual Property.

5. Termination

This Agreement may be terminated at any time upon three months' written notice of either party to the other; provided, however, that any Intellectual Property disclosed to UGARF and any protected Intellectual Property, rights to the Intellectual Property, licenses, license options, unprotected Intellectual Property that shall have been assigned to UGARF under this Agreement prior to the effective date of termination thereof under this Paragraph shall be subject to this Agreement. Upon termination BOARD OF REGENTS through UGA shall continue to provide UGARF with such assistance as may be necessary to allow UGARF to complete all its post-termination Intellectual Property management obligations under this Agreement.

6. Definitions

The following defined terms used in this Agreement shall have the meanings ascribed to them as set forth below:

A. "Intellectual Property" shall be deemed to refer to the following, whether or not formal protection is sought:

(1) "Copyrighted Materials" shall include the following: (a) books, journal articles, texts, glossaries, bibliographies, study guides, laboratory manuals, syllabi, tests and proposals; (b) lectures, musical or dramatic compositions, unpublished scripts; (c) films, filmstrips, charts, transparencies, and other visual aids; (d) video and audio tapes or cassettes; (e) live video and audio broadcasts; (f) programmed instructional materials; (g) mask works; (h) research notes, research data reports, and research notebooks; and (i) other materials or works other than software which qualify for protection under the copyright laws of the United States (see 17 U.S.C. § 102 et seq.) or other protective statutes whether or not registered thereunder.

(2) "Patentable Materials" shall be deemed to refer to items other than software which reasonably appear to qualify for protection under the patent laws of the United States (see 35 U.S.C. § 101 et seq.) or other protective statutes, including Novel Plant Varieties (meaning a novel variety of sexually reproduced plant, see 7 U.S.C. § 2321 et seq.) and Patentable Plants (meaning an

asexually reproduced distinct and new variety of plant, see 35 U.S.C. § 161.), whether or not patentable thereunder.

(3) "Software" shall include one or more computer programs existing in any form, or any associated operational procedures, manuals or other documentation, whether or not protectable or protected by patent or copyright. The term "computer program" shall mean a set of instructions, statements or related data that, in actual or modified form, is capable of causing a computer or computer system to perform specified functions.

(4) "Trademarks" shall include all trademarks, service marks, trade names, seals, symbols, designs, slogans, or logotypes developed by or associated with the University System or any of its institutions. (see 17 U.S.C. § 1127.)

(5) "Trade Secrets" means information including, but not limited to, technical or nontechnical data, a formula, a pattern, a compilation, a program, a device, a method, a technique, a drawing, a process, financial data, financial plans, product plans, or a list of actual or potential customers or suppliers which: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. (see O.C.G.A. § 10-1-761.)

B. "License" shall mean a grant of authority to use, manufacture, sell, or otherwise commercially exploit Intellectual Property.

C. "License Option" shall mean an offer to obtain a license which is made for consideration and held open for a defined period of time.

D. "Net Income" shall mean gross or total income received by UGARF pursuant to a license agreement or the like, excluding research contracts, grants, and the like, less all expenses paid by UGARF by reason of its ownership and/or administration of any Intellectual Property or rights under this Agreement, including but not limited to all costs of evaluating Intellectual Property disclosures, patentability or trademark searches, preparing Intellectual Property applications, preparing assignments,

recording assignments, prosecuting applications, obtaining the issuance of patents or plant variety protection certificates, maintaining patents, preparing license agreements, recording license agreements, preparing security agreements, recording security agreements, travel, administrative proceedings such as interferences and appeals within any agency or office, litigation such as actions for royalty collection, infringement, interference, product liability, antitrust, or the like including prosecution or defense of same and compromise, settlement, and judgment satisfaction of same; the foregoing costs include but are not limited to attorney's fees, agency and office fees, court costs, and judgment satisfactions.

E. "Originator" means the author, creator or inventor of Intellectual Property.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed and their corporate seals to be hereunto fixed on the date(s) indicated below all by their corporate officers thereunto duly authorized to be effective the day and year first above written.

BOARD OF REGENTS OF THE
UNIVERSITY SYSTEM OF GEORGIA

By: 

Name: Stephen R. Portch

Title: Chancellor

Date: January 23, 1996

UNIVERSITY OF GEORGIA
RESEARCH FOUNDATION, INC.

By: 

Name: Charles B. Knapp

Title: President

Date: January 19, 1996

(Rev. 11/29/95)