

## **Article 7. INTELLECTUAL PROPERTY OWNERSHIP AND RESULTS**

7.1 Assignment of Intellectual Property Rights. To the extent required or allowed by an Investigator Institution's internal policies and the law of the jurisdiction in which the Investigator Institution resides, each Investigator Institution will obtain the necessary assignments of Intellectual Property Rights from (i) all of such Investigator Institution's Investigators, staff, agents, and sub-contractors (if any) performing or involved in the Investigator Research at the Institution, and (ii) from all of such Investigator Institution's individuals and organizations who Develop Foreground IP in performance of the Investigator Research at such Investigator Institution. To the extent that an Investigator Institution, or the law of the jurisdiction in which it resides, requires that the Investigator own Intellectual Property Rights developed by the Investigator, the Investigator agrees to be bound by all of the provisions of this Article 7. The Parties acknowledge and agree that all Foreground IP Developed by Investigators who are employees of the Howard Hughes Medical Institute ("**HHMI**") is governed by the HHMI Intellectual Property Policy ("**HHMI Policy**") in effect from time to time and all provisions of this Article 7 are to be interpreted with respect to the HHMI Investigators subject to the HHMI Policy, whether or not the policy is expressly identified in any such provision.

7.2 Research Data Sharing. It is a fundamental objective of FLCQ in establishing the Network to advance scientific and clinical knowledge through the efforts of the Network Participants in conducting the Research. All Network Participants acknowledge this objective and agree that all Investigator Research Data will be made reasonably available, on a reasonably timely basis, to all Investigators, consistent with requirements to protect PHI, and subject to reasonable practices to avoid adversely affecting patentability of potentially patentable Foreground IP and subject to the applicable obligations of confidentiality under Article 8.

7.3 Background Intellectual Property.

7.3.1 Disclosure. Each Network Participant represents that Appendix 2 of their Joinder Agreement accurately sets forth all of its Background Intellectual Property, including all patents and patent applications for which the Investigator(s) is/are a named inventor and that relate to the subject matter of the Research. Each Network Participant hereby consents to FLCQ disclosing Appendix 2 to all other Network Participants, subject to obligations of confidentiality under Article 8.

7.3.2 Investigators' Freedom to Perform Research. Nothing in this Agreement will modify the ownership of any Background Intellectual Property of any Network Participant. Each Network Participant grants to each Investigator Institution and Investigator, only for so long as such Investigator Institution's Investigator is a member of the Network, a royalty-free, worldwide, non-transferable, non-sublicensable, non-exclusive license to use and practice such Network Participant's Background Intellectual Property solely for the purpose of each Investigator

performing or conducting his or her Investigator Research. For the purpose of clarity, no commercial license to any Background Intellectual Property is implied or granted by this Agreement.

#### 7.4 Foreground IP.

7.4.1 Ownership of Foreground IP will follow inventorship or authorship (as the case may be) as determined in accordance with the law of the jurisdiction in which the Foreground IP is Developed. All Foreground IP is subject to the rights and obligations set forth in this Article 7. Subject only to the restrictions on and rights granted to the Parties under this Agreement, each Party shall have the right to license, transfer and/or sell its respective rights in any Joint IP without the consent of, or accounting to, the other owners of such Joint IP.

7.4.2 Disclosure of Foreground IP. With respect to each Network Participant, during and after the Network Participant's Investigator Term, either the Investigator or the Investigator Institution, as applicable pursuant to the Investigator Institution's internal policies, will report all of Network Participant's Foreground IP to FLCQ and the Coordinators, consistent with the terms and conditions of Section 7.9.

#### 7.5 Research Licenses.

7.5.1 Non Exclusive Research License. Each Network Participant grants to the other Network Participants, a royalty-free, worldwide, non-transferable, non-sublicensable, non-exclusive license to use and practice its Foreground IP solely to the extent such license is necessary for a Network Participant to perform the Research pursuant to this Agreement and only for the duration of the Investigator Term. For the purpose of clarity, no commercial license to any Foreground IP is implied or granted by this Agreement.

7.5.2 FLCQ Conditional Rights in Foreground IP. To the extent not otherwise restricted by Investigator Institution's agreements, internal policy, or by law, consistent with requirements to protect PHI, and subject to reasonable practices to avoid adversely affecting patentability of potentially patentable Foreground IP, if requested by FLCQ, an owner of Foreground IP will grant to one or more FLCQ designated members of any other FLCQ Transatlantic Network of Excellence research network a royalty-free, worldwide, non-transferable, non-exclusive license to use, practice, and import owner's Foreground IP solely for performance of the applicable investigator's investigator research for such research network and only for so long as such investigator is a member of such research network. For the purpose of clarity, no commercial license to any Foreground IP is implied or granted by this Agreement.

#### 7.6 Patents and Patent Applications.

7.6.1 Solely Owned Foreground IP. Subject to the rights and licenses in this

Article 7, each Party will own and be responsible for filing and prosecuting patent applications relating to its solely Developed Foreground IP and shall bear the costs associated with the filings and prosecution. All patent applications and issued patents on Foreground IP and Joint IP will be disclosed to FLCQ and the Coordinators consistent with Section 7.9.

7.6.2 Joint IP. With respect to any Joint IP, the inventing Parties will mutually agree on a strategy with respect to filing and cost allocation for a patent application covering the specific Joint IP, it being understood that the Parties will strive to reach such agreement as quickly as possible so as not to cause any time delay in filing of such patent application(s). Any such patent applications will be filed in the names of the appropriate inventing Parties and the inventing Investigator Institutions (or Investigator or other inventor, if individually owned). A Party filing a patent application covering Joint IP will provide to the relevant co-inventing Party/ies copies of all substantive correspondence and proposed responses and all office actions concerning the prosecution of such patent applications in a timely manner with sufficient time for the relevant co-inventing Party/ies to review and comment.

7.6.3 Abandoning Foreground IP. In the event that the Network Participant controlling patent filing and prosecution of any Foreground IP decides to abandon the patent or patent application and not pursue commercialization of the invention, to the extent legally able, the Network Participant shall promptly notify FLCQ, and sufficiently in advance, to enable FLCQ to review and assess the Foreground IP and, if desired, to have the Network Participant assign to FLCQ, or its designee, either ownership of the IP, or all rights and licenses necessary for FLCQ, or its designee, to control filing, prosecution and commercialization of the Foreground IP, unless such action is prohibited by applicable law, regulation, or terms of another applicable grant.

## 7.7 Commercialization.

7.7.1 FLCQ Policy. Each Network Participant asserts and agrees with respect to Foreground IP, as follows:

7.7.1.1 The Network Participant agrees with and will take only those actions that are consistent with the scientific goals and principles of combating cardiovascular and neurovascular disease, which include (a) publication of Research results; and (b) an obligation to diligently exploit the Foreground IP for the benefit of the public, through licensing or other means, including release into the public domain.

7.7.1.2 The Network Participant agrees not to assign its rights in any Foreground IP to any party that is not a Network Participant, without FLCQ's prior written consent, except for assignment to an invention management organization provided that the assignee organization agrees in writing to be bound by the applicable terms of this Agreement.

7.7.2 Limited Institution Resources. If a Network Participant has no or

limited resources to manage or commercialize Intellectual Property Rights, then the Network Participant may, at its option and with FLCQ's consent, assign to FLCQ either ownership of the Foreground IP, or all rights and licenses necessary for FLCQ to control filing, prosecution and commercialization of the Foreground IP, unless such action is prohibited by applicable law, regulation, or terms of another applicable grant. If such assignment is made, the assigning Party and FLCQ will reasonably cooperate in creating a reasonable commercialization plan for the applicable Intellectual Property Rights.

**7.7.3 Exploitation Plan.** At any time but no more frequently than once per calendar quarter, FLCQ may request, and Network Participant will supply, a report and description of the actions taken to commercialize the Network Participant's Foreground IP. If the Foreground IP is not then being commercialized or the subject of a negotiation to be commercialized, the Network Participant will discuss with FLCQ, or its designee, appropriate steps for the dissemination of the Foreground IP for the public benefit, which may include (a) assignment of the Foreground IP to FLCQ, unless prohibited by applicable law, regulation, or terms of another applicable grant; (b) granting of non-exclusive licenses on a royalty-free basis or on other terms that are reasonable in the circumstances; or (c) other reasonable disposition of such rights in and to the Foreground IP.

**7.8 FLCQ Revenue Share.** If any Network Participant monetizes the Foreground IP in any manner, the Network Participant will share with FLCQ or its designee, to the extent allowed by law and, only to the extent applicable, consistent with tax exempt bond covenants made by the Network Participant, a portion of the revenue it receives with respect to the Foreground IP on the following terms and conditions:

**7.8.1 Designated Research.** The Network Participant will return, for use by its laboratory or on research designated by FLCQ, the first \$100,000 of FLCQ's revenue share under this Section 7.8.

**7.8.2 Negotiated Amount.** Reasonably promptly after FLCQ receives disclosure of the Foreground IP in accordance with Section 7.9, FLCQ and the Network Participant responsible for licensing the Foreground IP will negotiate in good faith and mutually agree in writing as to the percentage of revenue to be paid to FLCQ, or its designee, as a result of licensing the Foreground IP. The Parties acknowledge that this negotiation may occur prior to any license agreement being entered into with respect to such Foreground IP. If FLCQ and the Network Participant fail to reach written agreement within the later of one (1) year of FLCQ's receipt of the disclosure or six (6) months after a license agreement has been entered into, or if FLCQ did not receive timely disclosure of the Foreground IP pursuant to Section 7.9, FLCQ will receive 25% of the net revenue received by Network Participant in connection with monetization of the applicable Foreground IP.

**7.9 Disclosure.** Both during and up to three (3) years after the Investigator Term applicable to each Network Participant, each Network Participant will report to both

FLCQ and the Coordinators the following:

7.9.1 Foreground IP. All Foreground IP, including Joint IP and Investigator Research Data supported in whole or in part by the Grant Funds (“**IP Disclosure**”).

7.9.2 Patents. With respect to all Foreground IP, all patent applications, including provisional, utility (including as converted from provisional applications), design, and any individual country applications during the National Phase of PCT prosecution, any patent issuance, and all material correspondence with patent counsel and patent administrative agencies with respect to all such applications (“**Patent Disclosure**”).

7.9.3 Licenses. All licenses and any other agreement by which the Foreground IP is monetized or any decision to release the Foreground IP into the public domain, and any termination of any license, and any disputes with licensees (“**License Disclosure**”).

7.9.4 Timing. Network Participants acknowledge and agree that each is obligated to provide the IP Disclosure and Patent Disclosure under this Section 7.9 with respect to all Foreground IP, and that neither is relieved of its obligation whether or not the other party makes the disclosure to FLCQ. All IP Disclosures must be made: (i) with respect to the Institution, within thirty (30) days of the Foreground IP being disclosed to the Institution’s technology transfer office or individual responsible for receiving intellectual property disclosures; and (ii) with respect to the Investigator, **within thirty (30) days of becoming aware** of the Foreground IP. All Patent Disclosures must be made by the party filing and prosecuting the patent applications for the Foreground IP and each Patent Disclosure will be made to FLCQ within thirty (30) days after each patent related event described in Section 7.9.2. All License Disclosures must be made by the party/ies responsible for licensing, monetizing or disclosing the Foreground IP and each License Disclosure will be made to FLCQ within **thirty (30) days after the end of each calendar year**, or at least **thirty (30) days prior to** release of the Foreground IP into the public domain.

7.9.5 Failure to Disclose. FLCQ may terminate this Agreement pursuant to Section 13.1 with respect to any Network Participant who fails to comply with any of its assertions or obligations under this Article 7. Upon FLCQ’s request, Network Participants agree to provide FLCQ with a copy of any disclosure, background or other information requested by FLCQ with respect to any subject matter in any of the Disclosures described above. All Disclosures are the Proprietary Information of the disclosing party, governed by Article 8.