

THE DUNHILL MEDICAL TRUST

INTELLECTUAL PROPERTY AGREEMENT



Summary

In certain circumstances, as described in the Trust's *Terms and Conditions*, the Dunhill Medical Trust may wish to make any offer of grant aid conditional upon securing an *Intellectual Property Agreement* for the sharing of any commercial revenues that arise as a result of the funded research work.

Any actual Intellectual Property Agreement will be made and witnessed between **The Trustees of the Dunhill Medical Trust**, the **Institution** being funded and, where applicable, the **Technology Transfer Group**.

The document of which this Summary forms a part is a SPECIMEN for information only and does not form the basis of an actual or implied offer or contract.

THIS AGREEMENT is made the day of 20

BETWEEN the parties whose details are set out below:

(1) THE DUNHILL MEDICAL TRUST

Name:

Charity Number:

Address:

Contact:

Telephone:

Fax:

E-mail:

(2) THE INSTITUTION

Name:

Address:

Contact:

Telephone:

Fax:

E-mail:

(3) TECHNOLOGY TRANSFER GROUP (if applicable)

Name:

Company Number:

Address:

Contact:

Telephone:

Fax:

E-mail:

WHEREAS

- A** The Institution may from time to time be awarded a Grant or Grants by the Trustees in connection with research work, such Grants to be subject to the *Terms & Conditions for Grants* and *Grant Making Policy* of the Trustees.
- B** The parties hereto are entering into this Agreement to regulate their respective rights and obligations in relation to the results of and any Intellectual Property Rights arising from any Project funded by the Trustees.

IT IS AGREED as follows:

1 Definitions

In this Agreement the following words shall, unless the context otherwise requires, have the following meanings:

'AMRC Guidance' means *The Guidance On Revenue Sharing On Commercially Exploited Charity Funded Research* published by the Association of Medical Research Charities as current at the date of exploitation

specimen only
January 2008

‘AMRC Model’ means the recommended revenue sharing model published by the Association of Medical Research Charities as part of the *AMRC Guidance*

‘Exploitation’ means any exploitation for commercial benefit and includes but is not limited to commercialisation by way of licence, assignment, option, sale, research collaboration or other disposal, and whether for cash, equity or other consideration

‘Exploiting Party’ means whichever of the Institution or its Technology Transfer Group (if there is one) is or will be responsible for technology transfer and commercialisation matters with respect to the Project for and on behalf of the Institution

‘Grant’ means any grant made to the Institution pursuant to the *Grant Making Policy and Terms and Conditions* in respect of any Project

‘Grant Making Policy’ means the Dunhill Medical Trust *Grant Making Policy* in respect of Applications for Grants for Medical and/or Scientific Research in force in relation to the particular Project in question

‘Intellectual Property Rights’ means all patents, trade marks, copyrights and design rights (whether registered or not and all applications for any of the foregoing), secret formulae and processes and all rights of confidence in the Know-how and all rights and forms of protection of a similar nature to any of the foregoing or having equivalent effect anywhere in the world whensoever and howsoever arising for the full term thereof and all renewals and extensions thereof which may result directly or indirectly from any Project

‘Institution’ means the institution named in the details set out above

‘Know-how’ means information, data, know-how or experience whether patentable or not including but not limited to all design or manufacturing techniques, operating instructions, machinery designs, raw material or products specifications, drawings, blue prints and any other technical and commercial information relating to research, design, development, manufacture, assembly, use or sale

‘Project’ means any research project for which the Trustees have awarded a Grant to the Institution, details of which will be set out in the relevant application for a Grant

‘Periodical Sum’ means a periodical sum payable to the Trustees pursuant to Clause 5 below

‘Revenue Sharing’ means the sharing of the benefits (such as revenues and equity) arising from the exploitation of Intellectual Property Rights and “Revenue Share” shall be interpreted accordingly

‘Technology Transfer Group’ means a body which is responsible for providing technology transfer services to the Institution

‘Terms and Conditions’ means the Dunhill Medical Trust Terms and Conditions in respect of Grants for Medical and/or Scientific Research in force in relation to the particular Project in question

‘The Trustees’ Proportion’ means, where the Trustees have provided 100% of the funding for production of the Intellectual Property Rights in question, a proportion equal to the funder’s share shown in the AMRC Model or, where the Trustees have provided a lesser percentage of such funding, then such lesser proportion as corresponds to the percentage of the funder’s share which is attributable to the funding provided by the Trustees.

NB if the Trustees take on all or part of the technology transfer, their Proportion should also include all or part of the share allocated to that in the Model.

2 Commencement

- 2.1 This Agreement shall commence on the date hereof and shall have effect in relation to each specific Project on the award (if any) of a Grant by the Trustees.

3 Intellectual Property Protection

- 3.1 At all stages throughout any Project the Institution shall take all reasonable steps (including in particular by so specifying in contracts with researchers, consultants and other personnel engaged on the Project) to ensure that any Intellectual Property Rights which arise become its property.
- 3.2 At all stages throughout any Project the Institution shall take all reasonable steps to protect any Intellectual Property Rights which it reasonably considers to have commercial potential and shall promptly inform the Trustees of the existence of any such Intellectual Property Rights and the Institution shall in its own name and at its own expense apply for such patent design or other protection available in respect of the Intellectual Property Rights in such parts of the world as may be reasonably necessary to protect the Intellectual Property Rights.
- 3.3 It is hereby confirmed that all property, right and interest in any Intellectual Property Rights and any improvements, modifications and amendments thereto shall remain at all times vested in the Institution, subject to the rights of the Trustees to receive Periodical Sums or other Revenue Sharing pursuant to this Agreement and to take steps to protect or exploit the Intellectual Property Rights pursuant to clause 9.1 below.
- 3.4 The Institution undertakes to take all steps (including any proceedings) as may be necessary to halt any infringement by a third party of any of the Intellectual Property Rights of which it becomes aware where such infringement would affect prejudicially the Trustees' interests to a substantial extent wherever there is a reasonable chance of such steps being successful and where such proceedings would be commercially worthwhile. The Institution will bear the cost of any such proceedings and account to the Trustees for a fair proportion of the damages awarded, after the deduction of the Institution's costs of the proceedings PROVIDED THAT:
- (i) if the parties do not agree whether any particular proceedings or other such steps have a reasonable chance of being successful, the Institution shall obtain the opinion of a specialist Counsel of at least 10 years call as to whether such proposed action has a significantly greater than even chance of success;
 - (ii) the fair proportion of the damages to be allocated to the Trustees shall, unless otherwise agreed between the parties, be a proportion of such damages (net of such costs) equal to the Trustees' Proportion.
- 3.5 The Institution shall procure that no exploitation of the Intellectual Property Rights will to the knowledge of the Institution result in the infringement of valid patents or other intellectual property rights of third parties. Accordingly the Institution shall indemnify and agrees to keep indemnified the Trustees against all costs, damages, expenses and losses which they may incur as a result of any claims or proceedings brought against the Trustees that the Intellectual Property Rights do so infringe any valid patents or other intellectual property rights of any third party, and the Institution shall procure that in the event that the Intellectual Property Rights are assigned, licensed or otherwise disposed of pursuant on this Agreement an indemnity in these terms is granted to the Trustees by the relevant assignee or licensee.

4 Exploitation of the Results of the Project

- 4.1 In the event that Intellectual Property Rights arise in the course of or as a result of any Project and such Intellectual Property Rights are reasonably capable of commercial

exploitation, the Institution shall use all reasonable endeavours to exploit the same by means of licensing independent third parties on arm's length commercial terms in consideration of such periodical licence fees, royalties or other recurrent payments as can reasonably be obtained but subject to the right of the Trustees to receive a Revenue Share in the form of a Periodical Sum pursuant to clause 5 below, taking into account the relative contributions to the Project of the Institution, the Trustees and any third party (but subject to the minimum share specified in clause 5.2 below.

- 4.2 In any case where the Institution reasonably considers that such Intellectual Property Rights can more advantageously be exploited otherwise than by being licensed as mentioned in Clause 4.1 and in particular (but without prejudice to the generality of the foregoing) through the Institution:
- (a) selling or otherwise disposing of the same for a capital payment in money or money's worth or
 - (b) undertaking the exploitation itself

then the Trustees may (but shall be under no obligation to) agree to an alternative manner of exploitation on terms securing a fair proportion of the benefit thereof to the Trustees.

- 4.3 The Institution shall ensure that no exploitation of the Intellectual Property Rights in the course of a Project shall contravene any specific prohibitions, restrictions or stipulations set out in the Grant Making Policy or otherwise notified in writing to the Institution by the Trustees prior to the award of a Grant for that Project.

5 Revenue Sharing

- 5.1 In respect of any proposed exploitation, the Exploiting Party shall (where relevant) provide to the Trustees details of other partners who have contributed to the Project and the Exploiting Party's proposed formula for Revenue Sharing.
- 5.2 The Exploiting Party shall notify the Trustees' interest in the Project and in the proposed exploitation to all others who are participants in the Project or who have contributed to the Project.
- 5.3 Revenue Sharing shall be based on the AMRC Guidance and the AMRC Model (subject as provided in 5.4 below). The Exploiting Party and the Trustees will accept that the Revenue Share that the Trustees shall obtain will be the Trustees' Proportion but in any event subject to an absolute minimum Revenue Share of 10%.
- 5.4 The Revenue Sharing formula between the Trustees, the Institution and other third party funders shall exclude any salary support provided by the Institution towards the Project that is being exploited which is derived from the Institution's internal funding, including funding derived from the Higher Education Funding Council for England.
- 5.5 Where a dispute arises between the Exploiting Party and the Trustees with regard to equitable Revenue Sharing the matter will be referred for arbitration to the Executive Council of the Association of Medical Research Charities (AMRC).

6 Payments, Accounting and Reporting

- 6.1 In the event that any Intellectual Property Rights are exploited by the Institution in the manner set out in Clause 4.1 the Exploiting Party shall pay to the Trustees in accordance with Clause 4.1 the Periodical Sum [net of any reasonable expenses incurred by the Exploiting Party directly thereby] in line with the agreed formula referred to in Clause 5.3 above.
- 6.2 In any case where periodical licence fees, royalties or other recurrent payments are received by the Exploiting Party under deduction of tax (whether United Kingdom tax or foreign tax) then such payment shall be grossed up at the appropriate rate when calculating the amount of the Periodical Sum payable to the Trustees under this Agreement.

- 6.3 All sums due under this Agreement:
- 6.3.1 Are exclusive of any Value Added Tax which shall be payable by the Exploiting Party in addition;
 - 6.3.2 shall be made in sterling and to the credit of a bank account designated in writing by the Trustees. Conversion into sterling (where necessary) shall be calculated at the rate of exchange ruling on the day payment is made or due whichever is earlier provided always that where any payment is made after the date provided therefore herein conversion shall be at the rate ruling at the date of payment if this is more favourable to the Trustees; and
 - 6.3.3 shall be made in full without any deductions whatsoever save as are authorised or required in respect of taxation by the provisions of United Kingdom tax legislation from time to time.
- 6.4 For such time as any Periodical Sum shall be payable to the Trustees pursuant to this Agreement, the Exploiting Party shall keep true and detailed records of all proceeds received by it on which the Periodical Sum is due to the Trustees under this Agreement.
- 6.5 Within 30 days following the Dunhill Medical Trust's annual accounting date of 31st March the Exploiting Party shall provide the Trustees with a statement or statements setting out financial information for the preceding 12 month period in respect of each Project commercialised, including gross income, net income, cumulative income, expenses deducted pursuant to clause 6.1 above, technology transfer fee(s), equity, revenue shares and taxes.
- 6.6 The accounts referred to in Clause 6.5 above shall be sufficiently detailed to enable the Trustees to ascertain how the Periodical Sums payable are calculated.
- 6.7 The Trustees or their agents shall on request be entitled (at reasonable times and upon reasonable notice) to inspect the records of the Exploiting Party for the purpose of audit in accordance with standard UK accounting practice.

7 Monitoring and Information

- 7.1 The Institution shall have a duty promptly to inform the Trustees in writing of any form of protection sought over any Intellectual Property Rights pursuant to Clause 3.1 (and of the progress of any such application) and of any exploitation or any arrangements entered into in respect of the exploitation of any Intellectual Property Rights pursuant to Clause 4.1 and/or 4.2.
- 7.2 With respect to Intellectual Property Rights to be exploited the Exploiting Party shall:
- 7.2.1 provide to the Trustees copies of any signed agreements entered into and details of any patent applications, grants and abandonments (including title, filing number and date)
 - 7.2.2 deliver at least annually an exploitation report detailing the commercialisation activities for that year
- 7.3 Information about exploitation activities received from the Exploiting Party pursuant on this Agreement shall be kept confidential by the Trustees and/or their agents. For these purposes 'information' includes but is not limited to any data, results, inventions, intended publications, intended or pending patent applications, designs, plans, agreements, commercial and/or financial information, whether disclosed or orally. However 'information' does not include information which is already in the public domain, which is otherwise lawfully known to the receiving party at the time of disclosure, is obtained lawfully from a third party or independently developed by the receiving party, or which is required to be disclosed in order to comply with a legal requirement.

8 Use of Intellectual Property Rights by the Institution

- 8.1 The Institution may use any Intellectual Property Right which would if licensed to a third party pursuant to Clause 4.1 be subject to a Periodical Sum PROVIDED THAT where such use is in connection only with academic research purposes no Periodical Sum shall be payable but in any other case any such use is deemed to be exploitation by the Institution under this Agreement at the full market price which could be obtained for such Intellectual Property Rights in an arm's length transaction and, unless the Trustees otherwise agree, an amount equal to the Trustees' Proportion shall be paid to the Trustees accordingly within 30 days of such deemed exploitation occurring.
- 8.2 Where the parties cannot agree the price referred to in Clause 8.1 above the matter may be referred by either party to an independent accountant agreed by the parties (or in the absence of agreement such independent accountant as is nominated by the President of the Institute of Chartered Accountants for England and Wales) whose decision shall, in the absence of manifest error, be final and binding on the parties, such accountant acting as expert and not as arbitrator.

9 Failure to protect or exploit by the Institution

- 9.1 If the Institution fails to protect or exploit any such Intellectual Property Rights the Trustees shall have the right but not the obligation to protect and exploit (or arrange the protection and exploitation) of such Intellectual Property Rights. Such right shall only be exercisable for 6 months after the Trustees have given the Institution written notice requiring it to protect and exploit the Intellectual Property Rights and the Institution has not done so to the satisfaction of the Trustees during that 6 month period. However if the Trustees believe such Intellectual Property Rights could be lost they shall be free to protect and exploit (or arrange for the protection and exploitation of) such Intellectual Property Rights before the end of that 6 month period. The Institution shall procure that its arrangements with all other funders and participants in the Project provide for the Trustees to be able to exercise such rights.

10 Compliance

- 10.1 The Institution shall be responsible for ensuring that the Exploiting Party complies with this Agreement, including where the Exploiting Party is its Technology Transfer Group.
- 10.2 The Institution shall be responsible for ensuring that all its staff and researchers or any other employee or agent engaged in connection with any Project shall comply with this Agreement so far as is necessary to give effect to its terms.

11 Notices

- 11.1 Any notice or other communication to be given under this Agreement shall be in writing and shall be deemed to have been duly given if left at or sent by hand or by registered post or by facsimile to a party at the address or facsimile number set out above for such party or such other address as one party may from time to time designate by written notice to the other and marked for the attention of the contact specified above. Where practicable, the party giving the notice shall also send it to the recipient by email, but failure to do so shall not invalidate such notice.
- 11.2 Any such notice or other communication shall be deemed to have been received by the addressee two working days following the date of dispatch if the notice or other document is sent by registered post, or simultaneously with the delivery or transmission if sent by hand or if given by facsimile.

12 Variation and waiver

- 12.1 This Agreement and the terms of any Grant and the Grant Making Policy represent the entire understanding between the parties and supersede any and all previous understandings both written and oral with respect to the subject matter hereof. In the event of any conflict between the terms of this Agreement and the terms of any Grant and/or Grant Making Policy the terms of this Agreement shall prevail.
- 12.2 This Agreement may not be amended varied supplemented or otherwise modified except by an instrument in writing signed by both parties.
- 12.3 Any failure of either party to insist in any one or more instances upon the performance of any provisions of this Agreement shall not be construed as a waiver or relinquishment of that party's rights to future performance of such provision and the other party's obligation in respect of such future performance shall continue in full force and effect.

13 No assignment

- 13.1 Neither party may assign, transfer or otherwise dispose of its rights and obligations pursuant to this Agreement without the prior written consent of the other, such consent not be unreasonably withheld provided that the Trustees shall be entitled to assign its rights and obligations pursuant to this Agreement to any subsidiary company.

14 No joint venture or partnership

- 14.1 Nothing in this Agreement shall create a partnership or joint venture between the parties hereto and neither party shall enter into or have authority to enter into any engagement or make any representation or warranty on behalf of or pledge the credit of or otherwise bind or oblige the other party hereto.

15 Governing law and jurisdiction

- 15.1 This Agreement shall be governed and construed in all respect according to the law of England and Wales and the parties shall be subject to the jurisdiction of the English Courts.

AS WITNESS whereof this Deed is dated the day of 20

SIGNED as a DEED and DELIVERED }
on behalf of the TRUSTEES acting by }
.....
Trustee
.....
Trustee

SIGNED as a DEED and DELIVERED }
on behalf of the INSTITUTION acting by }
.....
Director
.....
Director/Secretary

SIGNED as a DEED and DELIVERED }
on behalf of the TECHNOLOGY }
TRANSFER GROUP (if applicable) }
acting by }
.....
Director
.....
Director/Secretary