

CONTRACT RESEARCH AGREEMENT

THIS AGREEMENT made as of ●, 200●.

B E T W E E N:

●,
a corporation incorporated under the laws of ●
(hereinafter referred to as the "Sponsor")

- and -

THE UNIVERSITY OF WESTERN ONTARIO,

a corporation created by *The University of Western Ontario Act, 1982*

(hereinafter referred to as the "University")

WHEREAS the University and the Sponsor wish to enter into this agreement (the "Agreement") to have the University perform the research outlined in Schedule "A" (the "Research Project") in accordance with the terms of this Agreement.

NOW THEREFORE in consideration of the mutual covenants of the parties set forth in this Agreement and other good and valuable consideration, the University and the Sponsor agree as follows:

1. DEFINITIONS

As used in this Agreement:

- 1.1 "Background Intellectual Property" means proprietary or confidential information of the University which is disclosed by the University to facilitate the Research Project, and includes methods, techniques, processes or computer codes or other background intellectual property utilized by the University for the conduct of the Research Project, and which may or may not be required in order to practise the Research Results, all as is more particularly described in Schedule "D"; and where comparable intellectual property is provided by the Sponsor for the purposes of the Research Project, such shall be defined as "Sponsor's Background I/P", as is more particularly described in Schedule "D-1".
- 1.2 "Confidential Information" means any scientific and/or business information, provided by way of written descriptions, drawings, compositions, formulae, visual demonstrations, and other data, and may, where circumstances require or permit, include samples, prototypes and/or material which is disclosed ("the Disclosure") by one party (the "Disclosing Party") to the other party ("the Recipient") and includes:

- i) information which is marked or identified as confidential at the time of disclosure; or
 - ii) information in oral or visual form identified as confidential at the time of disclosure and subsequently designated as such with a written memorandum sent to the Recipient within 30 days following the Disclosure.
- 1.3 “Intellectual Property” means any discoveries, inventions, resulting technology, know-how or techniques developed, conceived or reduced to practice by a Participant, under the terms of performance of the Research Project, and which are capable of being protected by law.
- 1.4 “Joint Intellectual Property” means any Intellectual Property jointly conceived or reduced to practice through an inventive contribution by a Participant of each of the University and the Sponsor under this Agreement, the proportionate share to be as determined by the parties hereto. Each party shall be entitled to use the Joint Intellectual Property for its own purposes, including, in the instance of the University, for commercial purposes in conjunction with third parties, provided that no assignment to or exclusive use by a third party is permitted without the consent of the other.
- 1.5 “Participant(s)” means the person(s) appointed or designated by the University from time to time to perform work on the Research Project described in Schedule “A”, and shall include the Project Leader.
- 1.6 “Research Project” means the research project described in Schedule “A” attached hereto and funded by the Sponsor, which may be amended in writing from time to time.
- 1.7 “Research Results” means all those findings, results and applications made, developed or conceived in the strict performance of the obligations and requirements of the Research Project by the Participant(s) or, if applicable, in conjunction with the Sponsor, and include as applicable but without limitation, all databases, audio-visual and computer material or equivalent circuitry, biotechnology and genetic engineering products (including plant cultivars, germ plasm, cell-lines, vectors and plasmids), computer software arising therefrom, and shall include Intellectual Property or Joint Intellectual Property directly attributable to the Research Project. Research Results do not include Background Intellectual Property.

2. RESEARCH PROJECT/PROJECT LEADER

- 2.1 The University as an independent contractor, will carry out the Research Project during the period commencing on the ● day of ●, 200● and ending on the day of ●, 200● unless sooner ended in accordance with the terms of this Agreement or extended, renewed or amended by written agreement (the "Project Term").
- 2.2 The Research Project will be undertaken under the direction of a project leader (the “Project Leader”) who will have responsibility for the scientific and technical conduct of the Research Project. If for any reason the designated Project Leader is unable to complete the Research Project and a successor proposed by the University is not accepted by the Sponsor, acting reasonably, the parties will take all reasonable steps

to wind down the Research Project, and the Sponsor will pay for the portion of the Research Project completed plus the University's committed and uncancellable costs of the Research Project as at the effective date for winding down the Research Project, but in no event will the aggregate costs exceed the contract amount set forth in Section 3. The initial Project Leader is ● of the Department of ●.

3. PAYMENT

The Sponsor will pay to the University the aggregate sum of \$● for the carrying out of the Research Project, in accordance with the progress payment provisions and other terms set forth in Schedule "B".

4. COMMUNICATION OF RESEARCH RESULTS

The University will provide to the Sponsor a written report of all Research Results, from time to time, as set out on Schedule "A" and a final report within thirty (30) days following completion of the Research Project.

5. NO WARRANTIES

The University will carry out the Research Project in accordance with appropriate scientific and professional standards but does not promise success in achieving any desired result. The University, its trustees, officers, employees, students and agents make no representations or warranties and there are no conditions, either express or implied, as to any matter with respect to the Research Project including, without limitation, the existence or non-existence of competing technology, the condition, quality or freedom from error of the Research Results or any part thereof, the merchantability or fitness for any particular purpose thereof, or that the Research Results or any part or aspect thereof will be capable of receiving statutory protection. All other representations, warranties and conditions, express or implied, statutory or otherwise, are hereby disclaimed.

6. CONFIDENTIAL INFORMATION

6.1 Confidentiality and Non-Disclosure. Each of the University and the Sponsor may disclose, from time to time, Confidential Information to the other to facilitate the Research Project. Each party will exercise all reasonable efforts to treat and keep confidential, and cause its officers, employees, representatives and those for whom it is in law responsible to treat and keep confidential, any Confidential Information received by it from the other, not to disclose Confidential Information to any other party, nor to use Confidential Information for any purpose other than the Research Project. Such reasonable efforts will be no less than the efforts used by the Recipient to protect its own confidential information. Any such information will be disclosed within the Recipient only on a "need to know" basis. The Sponsor acknowledges that the University is not responsible at law for any student involved in the Project, nor shall the University be vicariously liable to the Sponsor for any violation or breach of the confidentiality provisions hereof by any student involved with the Project. Any student will nonetheless be subject to execution of a non-disclosure agreement with each of the University and the Sponsor and the student shall personally covenant in

favour of each of the University and the Sponsor to observe and perform the obligations relating to confidentiality and non-disclosure.

6.2 **Research Results.** Notwithstanding anything to the contrary herein, all Research Results communicated to the Sponsor shall be deemed to be Confidential Information of the University to be governed by the terms of this Agreement, subject to the provisions of Article 8. Where Research Results include Joint Intellectual Property, each of the University and the Sponsor agrees, subject to the terms hereof, to respect the other's interest in such Joint Intellectual Property as Confidential Information. Notwithstanding the foregoing, the Sponsor acknowledges and agrees that commercialization of Joint Intellectual Property or of Research Results by the University (subject to any exclusive licensing arrangement under Article 8), may necessitate the University entering into contractual arrangements with a third party.

6.3 **Disclosure to Designated Representative.** Any disclosure of Confidential Information under this Agreement shall be made only by and to a designated representative (the "Designated Representative") appointed by each of the parties for such purpose from time to time, by notice in writing to the other. The initial Designated Representatives of the parties are as follows:

- (a) for the Sponsor: ●
- (b) for the University: ●

[ADD/DELETE RIDER 3]

6.4 **Exclusions from Confidentiality.** Notwithstanding Section 6.1, the obligations regarding confidentiality shall not apply to information which:

- (a) was in Recipient's possession before receipt from the Disclosing Party, as established by documentary evidence; or
- (b) is or becomes a matter of public knowledge without breach of this Agreement by Recipient; or
- (c) is received by Recipient from a third party which had no duty of confidentiality with respect to it; or
- (d) is independently developed by the Recipient as established by documentary evidence; or
- (e) is made subject to an order by judicial or administrative process requiring Recipient to disclose any or all of the information, provided that Recipient shall use reasonable efforts in the circumstances to promptly notify the Disclosing Party of such requirement to enable the Disclosing Party to oppose such process, before disclosure occurs; or
- (f) is disclosed by Recipient with the Disclosing Party's prior written approval.

6.5 **Duration of Confidentiality.** The obligation of confidentiality with respect to Confidential Information shall survive termination or expiration of this Agreement, and shall terminate five (5) years from the date of termination or expiration of this Agreement, or delivery of the final report for the Research Project, whichever first occurs. Either party may deliver a notice in writing to the other to confirm the date of termination, expiration of report delivery, as the case may be.

6.6 **Injunction.** The parties acknowledge that if a party breaches the provisions of this Article 6, there may not be an adequate remedy at law in damages. Accordingly, the parties agree that a non-defaulting party shall have the right to seek temporary and permanent injunctive relief to restrain a violation of this Article 6. The parties acknowledge that the provisions of this section are reasonable and are fully required to protect the legitimate interests of the other.

7. PUBLICATION RIGHTS

7.1 **Right to Publish.** By its nature and policies, the University requires that Research Results be published. Accordingly, the University or any Participant will be entitled to publish or disclose publicly the Research Results or any portion of the same, during or after the Project Term without restriction, save only in accordance with the procedure set forth in this Article 7.

7.2 **Sponsor's Right to Review Publication.** The Sponsor will be furnished with copies of any proposed publication or public disclosure relating to the Research Project at least thirty (30) days in advance of the date contemplated for submission for the proposed publication or public disclosure. The Sponsor may, within twenty (20) days following receipt of such notification and delivery, object to the proposed publication or public disclosure by notice in writing to the University on the grounds that:

- (a) the proposed publication or public disclosure contains an inadvertent disclosure of Confidential Information, in which case any such Confidential Information shall be deleted therefrom; or
- (b) the Sponsor has exercised the option contained in Section 8.4 to negotiate a license for any Research Results described in the proposed publication or public disclosure, and statutory protection is being sought for the same, in which case publication or disclosure will be delayed for a further period of ninety (90) days following the date of the original submission or for a period that is mutually agreed to by the parties, provided such shall not delay or prevent any defence of a student's thesis which relates to the Research Project.

If the Sponsor does not give such notice in writing to the University within such twenty (20) day period, the University or the Participant(s) shall be entitled to proceed with the proposed publication or public disclosure.

7.3 **Public Statements and Media Releases.** Either party may make public statements, issue publicity or media releases or make other disclosures revealing the existence of this Agreement and the general relationship of the parties hereunder without the prior approval of the other party but limited to the level of funding, name of the Sponsor, the title of Research Project and the Project Leader.

7.4 **Restriction on Use of Name, Trademarks.** Except as permitted under Section 7.3, neither the University nor the Sponsor shall use the name, trademark, or logo of the other, or name of any member of staff in any advertising or promotional material or publicity release relating to the Research Project or other activities undertaken hereunder, or in connection with any Research Results arising from this Agreement, without the prior written consent of the other, such consent not to be unreasonably withheld.

8.
8. **INTELLECTUAL PROPERTY**

8.1 **Ownership of Original Documents and Materials.** The University shall retain possession of, ownership of and copyright (subject to Section 8.2) to all original documents and materials used and developed during the course of this Agreement, including but not limited to notes, reports, data, programs, models and prototypes.

8.2 **Ownership of Research Results and other Work.** All Research Results (including but not limited to all intellectual property rights therein) shall be owned by the University, in accordance with Sections 8.4 and 8.5 of this Agreement, provided that, in the event a graduate student of the University works on the Research Project and that student completes a thesis or academic report relating to the Research Project, the student will own the copyright in that thesis or report.

8.3 **Rights in Joint Intellectual Property.** Where Joint Intellectual Property is created in accordance with the terms hereof, the University shall license to the Sponsor its interest in the Joint Intellectual Property together with the Research Results in accordance with the provisions applicable upon licensing of Research Results pursuant to Article 8 hereof. Alternatively, should the University seek to exclusively license from the Sponsor its interest in the Joint Intellectual Property for the University's commercial exploitation thereof, the Sponsor shall be bound to act *mutatis mutandis* as would the University in accordance with those terms set out in Article 8 for the negotiation of a license agreement.

In the event that the Joint Intellectual Property is not licensed in accordance with Article 8, or if licensed, such license agreement is terminated as may be provided for therein, any further licensing of either party's interest in the Joint Intellectual Property to a third party shall require the prior consent of the other, such consent not to be unreasonably withheld, provided that it shall be reasonable not to consent to an exclusive licensing of Joint Intellectual Property.

Notwithstanding the foregoing, the University shall be entitled to a royalty-free, non-exclusive license in connection with further applications of the Research Results as developed or created by the Sponsor, including, without limitation, the Sponsor's interest in Joint Intellectual Property, for teaching, research and other non-commercial uses by the University.

8.4 **License in Research Results. [See Rider 1 or Rider 2]**

8.5 **Conditions for Exercising Option.** The following conditions apply to the exercise of the option granted by the University to the Sponsor under Section 8.4):

- (a) The Sponsor shall notify the University in writing of its exercise of the option with respect to the Research Results within ninety (90) days following the delivery of any disclosure of Research Results for which it may seek statutory protection, arising from the reports referred to in Section 4, or from the proposed publication or public disclosure under Section 7.2.
- (b) If the Sponsor does not so notify the University with respect to any of the Research Results within the aforesaid ninety (90) day period, the Sponsor will be conclusively deemed to have decided against exercising its options to negotiate a license of such Research Results, but such shall not impair the Sponsor's option with respect to the subsequent disclosure of Research Results.
- (c) In the event that the Sponsor exercises the option to negotiate a license for such Research Results as disclosed, the parties shall negotiate in good faith the terms and conditions of a license agreement for [each] such license substantially in the University's standard form, which shall include the following principles:
 - (i) The Sponsor shall be required to pay consideration, including, without limitation, a royalty and reimbursement of patent expenses that are customary in the trade. In determining the amount of such consideration, the parties shall negotiate reasonable commercial terms including terms which shall recognize the respective contributions of the parties to the Research Results; specific diligence milestones with regard to the commercial introduction of products or uses; and other relevant matters.
 - (ii) Nothing herein nor in the grant of any license implies any restriction on the University to use any portion of the Research Results, including those under patent applications and patents issued, for teaching, research and other non-commercial purposes, including the inter-institutional exchange by the University with comparable institutions of the Research Results for similar purposes.
 - (iii) the University shall be responsible for the preparation, filing, prosecution and maintenance of any and all patent applications, patents and any other statutory protection for the Research Results, provided however that the University shall first consult with the Sponsor with respect thereto and shall furnish to the Sponsor copies of documents relevant to any such preparation, filing, prosecution or maintenance, in all countries in which the University has sought such protection.

8.6 Where No License Exists. [See Rider 1 or Rider 2]

8.7 Limitation on Intellectual Property. No license or other right is implied or given under this Agreement or otherwise with respect to any intellectual property which is not a part of the Research Results. The Sponsor and the University acknowledge that the Research Project may involve the use of existing, separate intellectual property of each party, including Background Intellectual Property. Such intellectual property will,

however, be introduced into the Research Project only following identification of the same and on prior written agreement between the parties as to the use of such existing intellectual property in connection with the Research Project and any subsequent Research Results. Background Intellectual Property existing as at the date hereof is described in Schedules "D" and "D-1".

9. EQUIPMENT PURCHASE

Equipment purchased for use in the Research Project will be the property of the University except as otherwise indicated in Schedule "C".

10. TERMINATION

10.1 Termination on Default or Insolvency.

- (a) In the event that either party fails to remedy any breach or default on its part pursuant to this Agreement within thirty (30) days following notice from the other to that effect, the party not in default may, upon written notice to the party in default, thereafter immediately terminate the Research Project and terminate any further rights of the party in default under this Agreement, including the right on the part of the Sponsor, if the defaulting party, to retain or to obtain the license referred to in Section 8.4.
- (b) In the event that either party becomes insolvent or bankrupt, or makes an assignment for the benefit of its creditors, or in the event that a receiver or trustee of its property is appointed, such party shall be deemed to be in default under this Agreement and the other party may immediately terminate the Research Project without prior notice and terminate any further rights of the party in default under this Agreement, including the right of the Sponsor, if the party in default, to retain or to obtain the license referred to in Section 8.4.
- (c) Any termination pursuant to this Section 10.1 is without prejudice to or limitation of any other right or remedies of either party including the right to collect sums due to it at the time of such termination.

10.2 **Other Termination Events.** The Research Project may be terminated without cause by either the University or the Sponsor on ninety (90) days notice from one to the other, in which event the parties will take all reasonable steps to wind down the Research Project with a minimum of costs. The party which gave notice of such termination will be responsible for the termination and non-cancellable costs of the University which extend beyond the ninety (90) days termination period. If the Sponsor has given such notice of termination, any rights to obtain a license to the Research Results will also cease.

10.3 **Survival of Certain Provisions.** Articles 5, 6, and 7 and 11, and Sections 8.1, 8.2, 8.3, 8.6 and 8.7 shall survive the termination of this Agreement.

11. INDEMNIFICATION

- 11.1 **University's Indemnity.** Subject to Section 11.3 and any statutory limitation, the University will indemnify and hold harmless the Sponsor, its officers, employees, students and agents from any and all claims, demands, damages, losses, costs and expenses whatsoever (including but not limited to legal fees and disbursements on a solicitor-and-own-client basis) that result from the University's negligent acts or omissions in the performance of its obligations under this Agreement or those of the University's trustees, officers, employees, students or agents.
- 11.2 **Sponsor's Indemnity.** The Sponsor will indemnify and hold harmless the University, its trustees, officers, employees, students and agents from all claims, demands, damages, losses, costs and expenses whatsoever (including but not limited to legal fees and disbursements on a solicitor-and-own-client basis) that result from the Sponsor's negligent acts or omissions in the performance of its obligations under this Agreement or those of its officers, employees or agents or any other person for whom the Sponsor is in law responsible; including the use by the Sponsor, or by any party acting on behalf of or under authorization from the Sponsor of the Research Results or from any use, sale or the disposition by the Sponsor, or by any party acting on behalf of or under authorization from the Sponsor, of products or services made or provided using the Research Results.
- 11.3 **Limitation of University's Liability.** Notwithstanding any other provision of this Agreement:
- (a) the University will not be liable to the Sponsor in respect of any breaches of contract, or torts or otherwise, arising from or in relation to this Agreement or the matters or activities dealt with herein in amounts which in the aggregate would exceed the aggregate amounts paid by the Sponsor to the University pursuant hereto; and
 - (b) the University will not be liable for any indirect, incidental, consequential or special damages of any kind whatsoever, even if it is advised of or knows of the possibility thereof.

12. EXCUSABLE DELAYS

- 12.1 **Delays Beyond University's Reasonable Control.** No liability shall be incurred by the University for delay in progress of the Research Project or for damages suffered by the Sponsor or any third party, or for non-performance of its obligations, as a result of any causes beyond the reasonable control of the University but in no way caused by the University's default or collusion.
- 12.2 **Notice to Sponsor.** The University shall give the Sponsor prompt notice and details in writing of such delay and shall use reasonable efforts to resume the Research Project in a timely manner.

13. ASSIGNMENT AND SUBCONTRACTING

No part of this Agreement may be assigned or subcontracted by either party without the prior written consent of the other.

14. NOTICES

- 14.1 All notices, requests, directions or other communications (“Notices”) required or permitted herein will be in writing and will be delivered to the parties hereto respectively as follows:

If to the Sponsor:

- [list name and address of each Sponsor]

If to the University:

Respecting administrative and financial matters; interpretation, amendment or termination of this Agreement; or exercise of rights under Section 8.4:

The University of Western Ontario
Room 328, Stevenson-Lawson Building
London, Ontario N6A 5B8
Attention:
Facsimile No: 519-661-3907

Respecting scientific and technical (research) aspects of this Agreement:

[Name of Project Leader]
Department of ●
Faculty of ●
The University of Western Ontario
London, Ontario N6A 5B8
Facsimile No: ●

In order for any such Notice to be effective, it will be delivered by courier, or facsimile addressed to the party for whom the Notices are intended at the above-mentioned address and will be deemed to have been received on the date of delivery, if delivered by courier, and on the next business day following the electronic confirmation of the successful transmission of the facsimile, if sent by facsimile. The address of either party may be changed by notice in the manner set out in this provision.

15. GENERAL PROVISIONS

- 15.1 **No Agency, Partnership or Joint Venture.** Nothing contained herein or done hereunder shall be construed as establishing any agency, partnership or joint venture relationship between the parties for any purpose whatsoever. If there is more than one Sponsor under this Agreement, the obligations of all of such parties are several, not joint and several.
- 15.2 **Entire Agreement.** This Agreement contains the entire agreement between the parties and supersedes all prior agreements, negotiations, representations and proposals, written and oral. Any Schedules attached hereto form part of this

Agreement. No amendment or variation of this Agreement shall be effective unless set forth in writing signed by a duly authorized representative of each party.

- 15.3 **Enurement; Assignment.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns, provided that none of the parties shall assign this Agreement or any part thereof or any rights or obligations under this Agreement or with respect to the Research Results without the prior written approval of the other party hereto.
- 15.4 **Headings.** All headings in this Agreement are inserted solely for convenience, are not part of this Agreement and do not in any way limit or amplify the terms hereof. Any reference to "days" in this Agreement means calendar days, unless otherwise specified.
- 15.5 **Further Assurances.** Each of the parties shall sign such documentation and deliver such information as may be reasonably required by the other in order to confirm and give effect to the provisions set forth in this Agreement.
- 15.6 **Governing Law; Attornment.** This Agreement shall be interpreted and governed by the laws of the Province of Ontario and the laws of Canada applicable in such Province. Any action taken relating to this Agreement shall be commenced in the courts of the Province of Ontario, and each of the parties hereby attorns to such jurisdiction.
- 15.7 **Counterparts and Facsimile Signatures.** This Agreement may be executed in one or more counterparts, each of which, when so executed shall be deemed an original, and all of which together shall constitute one and the same agreement. This Agreement may be delivered by facsimile provided that the party doing so sends the original executed copy of this Agreement promptly by courier to the other party.

IN WITNESS WHEREOF the duly authorized officers of the parties have executed this Agreement as of the date first written.

●

By: _____

Name:

Title:

I/we have authority to bind the Corporation.

THE UNIVERSITY OF WESTERN ONTARIO

By: _____

Name:

Title:

I have authority to bind the University.

The Principal Investigator, ● , hereby acknowledges the terms and conditions as set out herein and agrees to be bound by the requirements contained herein.

Dated at ●, ● this ● day of ●, ●

(Witness)

Principal Investigator

SCHEDULE "A"
THE RESEARCH PROJECT

SCHEDULE "B"

PAYMENTS

[CHOOSE ONLY 1 OF THE FOLLOWING PROVISIONS AS A STARTING POINT FOR PAYMENT TERMS, IF APPROPRIATE]

[The Sponsor will pay for the carrying out of the Research Project, upon receipt of an invoice from the University. Invoices will be generated on a quarterly basis by the University based on information provided by the Project Leader regarding the work conducted during the preceding quarterly period. The total amount of such invoices shall not exceed the amount shown in Section 3 of this Agreement.]

OR

[An initial payment of \$• is due upon signing of this Agreement, with the balance payable as follows:

- (a) \$•, on or before •, 200•; and
- (b) \$•, within thirty (30) days of delivery by the University of a final report summarizing the findings under the Research Project.]

OR

[The Sponsor will pay for the carrying out of the Research Project in full within thirty (30) days of signing of this Agreement.]

SCHEDULE "C"

OWNERSHIP OF EQUIPMENT

SCHEDULE "D"

BACKGROUND INTELLECTUAL PROPERTY

SCHEDULE "D-1"

SPONSOR'S BACKGROUND INTELLECTUAL PROPERTY

RIDER 1

8.4 License in Research Results.

(a) In consideration of the performance of the Sponsor's obligations hereunder, the University hereby grants to the Sponsor a personal, royalty-free, non-exclusive license, (to be executed and delivered by the parties in the University's standard form), to use the Research Results for its own research and internal purposes, but not for any commercial application or purposes, nor with any right to grant sublicenses in the Research Results.

(b) In addition to the grant under Subsection (a), the University further grants to the Sponsor, subject to the conditions in Section 8.5, an option to negotiate with the University for a royalty-bearing [exclusive] license for commercial purposes to use, manufacture and sell the products or processes made possible by or arising from the Research Results [together with the right to grant sublicenses of the Research Results].

(c) The grant of option and any resulting license with respect to Research Results do not extend to publications for which copyright is assigned to a publisher or other entity, nor to course outlines and materials.

8.6 Where No License Exists.

Where the parties are unable to conclude a mutually acceptable license agreement within ninety (90) days following the exercise of the option or in the event the Sponsor does not exercise such option within the time frame provided under Section 8.5, all rights of the Sponsor hereunder with respect to obtaining a commercial license for the Research Results shall cease and be of no further force or effect, and the Sponsor shall, at the request of the University return all Confidential Material, other than Research Results.

RIDER 2

8.4 License in Research Results.

The University grants to the Sponsor, subject to the conditions in Section 8.5 an option to negotiate with the University for a royalty-bearing [exclusive] license for commercial purposes to use, manufacture and sell the products or processes made possible by or arising from the Research Results [together with the right to grant sublicenses of the Research Results].

The grant of option and any resulting license do not extend to publications for which copyright is assigned to a publisher or other entity, nor to course outlines and materials.

8.6 Where No License Exists.

Where the parties are unable to conclude a mutually acceptable license agreement within ninety (90) days following the exercise of the option or in the event the Sponsor does not exercise such option, all rights of the Sponsor hereunder with respect to obtaining a commercial license for the Research Results shall cease and be of no further force or effect, and the Sponsor shall, at the request of the University return all Confidential Material, other than Research Results.

RIDER 3

Subject to the foregoing, in the event that there is an exchange of property or materials required for the purposes of the Research Project, the party delivering such materials or property may request that the Recipient enter into a material transfer agreement, substantially in the University's standard form, in favour of the Disclosing Party to recognize the proprietary interests, rights and limitations in connection with the transfer of such property or information or material. Such material transfer agreement will include provisions relating to the control and use of any information or material delivered; the limitation on commercial use of the information or material or any invention arising therefrom unless a license agreement is entered into between the Disclosing Party and the Recipient; an option to negotiate for an [exclusive] royalty bearing license with respect to any Intellectual Property arising therefrom substantially in the form of the license contemplated by Section 8.4 hereof; and indemnification and confidentiality.