PATENT & TECHNOLOGY LICENSE AGREEMENT

[use for Exclusive Licenses to technology solely owned by Board and made solely at MDA

with Patent Applications on file]

This Patent and Technology License Agreement (“Agreement”) is by and between The Board of Regents (“Board”) of The University of Texas System (“System”), an agency of the State of Texas, whose address is 201 West 7th Street, Austin, Texas 78701, on behalf of The University of Texas M. D. Anderson Cancer Center (“MD Anderson”), a member institution of System, and [Company name], a [jurisdiction] [corporation/LLC/etc.], with its principal place of business at \_\_\_\_\_\_\_\_\_\_\_\_\_ (“Licensee”) (collectively, “Parties”, or singly, “Party”).

This Agreement has an “Effective Date” of: \_\_\_\_\_\_\_\_\_\_\_\_\_.

No binding agreement between the Parties will exist until the Agreement has been signed by both Parties.  Unsigned drafts of the Agreement shall not be considered offers.

Background

Board owns Licensed Subject Matter (defined below). Board, through MD Anderson, has determined that development and commercialization of the Licensed Subject Matter is in the public’s best interest and is consistent with Board’s educational and research missions and goals. Board desires to have the Licensed Subject Matter developed and commercialized for the benefit of Licensee, the Inventors, Board, System, MD Anderson, and the public. Licensee desires to secure a license to practice the Licensed Subject Matter.

NOW, THEREFORE, in consideration of the mutual covenants and premises herein contained, the Parties hereby agree as follows:

**1. Definitions:** When capitalized, the following terms will have the following meanings:

“Affiliate” means any business entity more than 50% owned by Licensee, any business entity which owns more than 50% of Licensee, or any business entity that is more than 50% owned by a business entity that owns more than 50% of Licensee.

“Contract Quarter” means the three-month periods ending on March 31, June 30, September 30 and December 31, or any stub period thereof at the commencement of this Agreement or the expiration or termination of this Agreement.

“Contract Year” means the 12-month period ending on December 31, or any stub period thereof at the commencement of this Agreement or the expiration or termination of this Agreement.

**“FDA**” means United States Food and Drug Administration.

“Field” means \_\_\_\_\_\_\_\_\_\_\_\_.

“**Government**” means any branch, department, agency, or other unit of the United States of America or the State of Texas.

“**Gross Consideration**” means all cash and non-cash consideration (e.g., securities).

“**Inventors**” (or singly, “**Inventor**”) means the individuals listed on Exhibit A.

“**Licensed Process**” means a method or process whose practice or use is covered by a Valid Claim and/or incorporates or uses Patent Rights or Technology Rights.

“Licensed Product” means any product or component (a) the manufacture, use, sale, offer for sale or import of which is covered by a Valid Claim, and/or incorporates or uses any Patent Rights or Technology Rights, or (b) which is made using a Licensed Process.

“**Licensed Service**” means performance of a service using a Licensed Product, or the practice of a Licensed Process. For clarity, non-profit research and development of Licensed Products by Licensee, its Affiliates, or Sublicensees do not constitute a Licensed Service.

“**Licensed Subject Matter**” means Patent Rights and/or Technology Rights.

“Milestone Fees” means all fees identified as Milestone Fees in Paragraph 3.1(c).

“Net Product Sales” means the Gross Consideration from the Sale of Licensed Products less the following items directly attributable to the Sale of such Licensed Products that are specifically identified on the invoice for such Sale and borne by the Licensee, Affiliates, or Sublicensees as the seller: (a) discounts and rebates actually granted; (b) sales, value added, use and other taxes and government charges actually paid, excluding income taxes; (c) import and export duties actually paid; (d) freight, transport, packing and transit insurance charges actually paid or allowed; and (e) other amounts actually refunded, allowed or credited due to rejections or returns, but not exceeding the original invoiced amount. Net Product Sales exclude a reasonable quantity used internally by Licensor, its Affiliates or Sublicensees solely for testing or quality control purposes, marketing or demonstration purposes, or seeking governmental approval (e.g., FDA clinical trials).

“**Net Service Sales**” means the Gross Consideration received from the Sale of Licensed Services less the following items, directly attributable to the Sale of such Licensed Services that are specifically identified on the invoice for such Sale and borne by the Licensee, Affiliates, or Sublicensees as the seller: (a) discounts and rebates actually granted; (b) sales, value added, use and other taxes and government charges actually paid, excluding income taxes; and (c) other amounts actually refunded, allowed or credited due to rejections or re-works, but not exceeding the original invoiced amount.

“**Non-Royalty Sublicensing Consideration**" means the Gross Consideration received by the Licensee or its Affiliate from a Sublicensee in consideration of the grant of a sublicense under the Licensed Subject Matter (including, without limitation, license or option or distribution fees, fees to maintain license rights, and bonus/milestone payments), but excluding amounts received as running royalties or other revenue sharing based on Net Product Sales or Net Service Sales for which MD Anderson receives a running royalty under Paragraph 3.2. For the avoidance of doubt, Non-Royalty Sublicensing Consideration shall not include bona fide: (a) running royalties received by Licensee or an Affiliate based on Net Product Sales or Net Service Sales that are royalty-bearing to MD Anderson under Paragraph 3.2, (b) purchase price for Licensee’s stock or other securities not in excess of fair market value, and (c) amounts paid and used exclusively for research and development of Licensed Products or Licensed Services by Licensee.

“Patent Rights” means the Board’s rights in: (a) the patents and patent applications listed in Exhibit A to this Agreement; (b) all non-provisional patent applications that claim priority to any of the provisional applications listed in Exhibit A provided that the claims of such non-provisional applications are entitled to claim priority to such provisional applications; (c) all divisionals, continuations and continuations-in-part of the non-provisional patent applications identified in (a) and (b), above provided that the claims of such continuations-in-part are entitled to claim priority to at least one of the patent applications identified in (a) or (b), above; (d) all reissues, reexaminations, extensions, and foreign counterparts of any of the patents or patent applications identified in (a), (b) or (c), above; and (e) any patents that issue with respect to any of the patent applications listed in (a), (b) , (c) or (d), above.

“**Prosecution Counsel**” means the law firm or attorney who is handling the prosecution of the Patent Rights. U.S. Prosecution Counsel as of the Effective Date is identified in Exhibit A to this Agreement.

“Quarterly Payment Deadline” means the day that is 30 days after the last day of any particular Contract Quarter.

“**Regulatory Approval**” means the approval by the Regulatory Authority needed for a particular national jurisdiction to market, Sell and use a Licensed Product or Licensed Service in that national jurisdiction.

“**Regulatory Authority**” means the governmental authority responsible for granting any necessary licenses or approvals for the marketing, Sale and use of a Licensed Product or Licensed Service in a particular national jurisdiction, including without limitation, the FDA, European Medicines Agency or Koseisho (i.e. the Japanese Ministry of Health and Welfare).

“**Sell,** Sale or Sold” means any transfer or other disposition of Licensed Products or Licensed Services for which consideration is received by Licensee, its Affiliates or Sublicensees. A Sale of Licensed Products or Licensed Services will be deemed completed at the time Licensee or its Affiliate or its Sublicensee receives such consideration.

**[If any of the Inventors are physicians, and the Licensed Subject Matter includes technology that may be used in connection with patients, then substitute the following**: **“Sell,** **Sale or Sold** means any transfer or other disposition of Licensed Products or Licensed Services for which consideration is received by Licensee, its Affiliates, or Sublicensees, other than transfers or other dispositions made to a Royalty-Free Practitioner. As used herein, “Royalty-Free Practitioner” means MD Anderson and the following individuals: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, M.D. and\_\_\_\_\_\_\_\_\_\_\_\_\_\_, M.D. (“Physician Inventors”), and any partner or associate who practices medicine with one or more of the Physician Inventors, but with respect to such partner or associate, only for such time as he/she is engaged in a bona fide medical practice with one or more of the Physician Inventors. A Sale of Licensed Products or Licensed Services will be deemed completed at the time Licensee or its Affiliate or its Sublicensee receives such consideration."**]**

“Sublicense Agreement” means any agreement or arrangement pursuant to which Licensee (or an Affiliate or Sublicensee) grants to any third party any of the license rights granted to the Licensee under this Agreement.

“Sublicense Fees” means the fees specified in Paragraph 3.1(d).

“Sublicensee” means any entity to whom an express sublicense has been granted under the Patent Rights and/or Technology Rights. For clarity, a third party wholesaler or distributor who has no significant responsibility for marketing and promotion of the Licensed Product or Licensed Services within its distribution territory or field (i.e., the third party simply functions as a reseller), and who does not pay any consideration to Licensee or an Affiliate for such wholesale or distributor rights, shall not be deemed a Sublicensee and the resale by such a wholesaler or distributor shall not be treated as royalty bearing Net Sales by a Sublicensee, provided that a royalty is being paid by Licensee for the initial transfer to the wholesaler or distributor pursuant to Paragraph 3.2. This definition does not limit Licensee’s rights to grant or authorize sublicenses under this Agreement.

“**Technology Rights**” means Board’s rights in technical information, know-how, processes, procedures, compositions, devices, methods, formulas, protocols, techniques, designs, drawings or data created before the Effective Date by Inventors while employed at MD Anderson and within the Field which are not covered by a Valid Claim [**insert either:** “but which are necessary for practicing inventions claimed in patents and/or patent applications listed in the definition of Patent Rights” or “as described in Exhibit B”.]

“Territory” means \_\_\_\_\_\_\_\_\_.

**“Valid Claim”** means a claim of (a) an issued and unexpired patent included within the Patent Rights unless the claim has been held unenforceable or invalid by the final, un-reversed, and un-appealable decision of a court or other governmental body of competent jurisdiction, has been irretrievably abandoned or disclaimed, or has otherwise been finally admitted or finally determined by the relevant governmental authority to be invalid, un-patentable or unenforceable, whether through reissue, reexamination, disclaimer or otherwise, or (b) a pending patent application within the Patent Rights to the extent the claim continues to be prosecuted in good faith.

**2. License Grant and Commercialization**

2.1 Grant

(a) Board grants to Licensee a royalty-bearing exclusive license under Patent Rights to manufacture, have manufactured, use, offer for Sale, Sell and/or import Licensed Products in the Field in the Territory and to perform Licensed Services in the Field in the Territory.

(b) Board grants to Licensee a royalty-bearing non- exclusive license under Technology Rights to manufacture, have manufactured, use, offer for Sale, Sell and/or import Licensed Products in the Field in the Territory and to perform Licensed Services in the Field in the Territory.

(c) This grant is subject to (i) the payment by Licensee to MD Anderson of all consideration required under this Agreement, (ii) any rights of, or obligations to, the Government as set forth in Paragraph 11.2 (Government Rights), and (iii) rights retained by Board and MD Anderson to:

(1) Publish the scientific findings from research related to the Patent Rights; and

(2) Use the Licensed Subject Matter for: (a) patient care; and (b) teaching, research, education, and other educationally-related purposes; and

(3) Grant rights to, and transfer material embodiments of, the Licensed Subject Matter to other academic institutions or non-profit research institutions for the purposes identified in clauses (1) and (2)(b), above.

(d) Board reserves all rights not expressly granted in this Agreement and disclaims the grant of any implied rights to Licensee.

2.2 Affiliates

Licensee may extend the license granted herein to any Affiliate provided that the Affiliate agrees in writing to be bound by this Agreement to the same extent as Licensee.  For the sake of clarity, any specific reference to “Licensee” in any provision of this Agreement shall include such Affiliate regardless of whether a specific reference to an “Affiliate” is made in such provision. Licensee shall deliver such Affiliate's written agreement to MD Anderson within 30 calendar days following execution.

2.3 Sublicensing

Licensee has the right to grant Sublicense Agreements under the Licensed Subject Matter consistent with the terms of this Agreement, subject to the following:

(a) A Sublicense Agreement shall not exceed the scope and rights granted to Licensee hereunder. Sublicensee must agree in writing to be bound by the applicable terms and conditions of this Agreement and shall agree that Board and MD Anderson are third party beneficiaries of the Sublicense Agreement. In the event of termination of this Agreement, continued sublicense rights shall be governed by Paragraph 7.5(a). Licensee may grant a Sublicensee the right to grant further sub-Sublicense Agreements consistent with this Agreement, in which case such sub-Sublicense Agreements shall be treated as “Sublicense Agreements” and such sub-Sublicensees shall be treated as “Sublicensees” for purposes of this Agreement.

(b) Licensee shall deliver to MD Anderson a true, complete, and correct copy of each Sublicense Agreement granted by Licensee, Affiliate or Sublicensee, and any modification or termination thereof, within 30 days following the applicable execution, modification, or termination of such Sublicense Agreement. If the Sublicense Agreement is not in English, Licensee shall provide MD Anderson an accurate English translation in addition to a copy of the original agreement.

(c) Notwithstanding any such Sublicense Agreement, Licensee will remain primarily liable to Board and MD Anderson for all of the Licensee’s duties and obligations contained in this Agreement, including without limitation the payment of running royalties due under Paragraph 3.2 whether or not paid to Licensee by a Sublicensee. Any act or omission of a Sublicensee that would be a breach of this Agreement if performed by Licensee will be deemed to be a breach by Licensee. Each Sublicense Agreement will contain a right of termination by Licensee in the event that the Sublicensee breaches the payment or reporting obligations affecting Board and/or MD Anderson or any other terms and conditions of the Sublicense Agreement that would constitute a breach of this Agreement if such acts were performed by Licensee.

2.4 Diligent Commercialization

Licensee by itself or through its Affiliates and Sublicensees will use diligent efforts to make Licensed Products and/or Licensed Services (as applicable) commercially available in the Field within the Territory. Without limiting the foregoing, Licensee will:

(a) maintain a bona fide, funded, ongoing and active research, development, manufacturing, regulatory, marketing or sales program (all as commercially reasonable) to make License Products and/or Licensed Services commercially available in the Field to the public as soon as commercially practicable within the Territory, and

(b) achieve the following Diligence Milestone events by the deadlines indicated:

|  |  |
| --- | --- |
| **Diligence Milestone Events** | **Deadlines** |
| 1. Milestone | [deadline] |
| 2. Milestone | [deadline] |
| 3. Milestone | [deadline] |
| 4. Milestone | [deadline] |

(c)          If the obligations under Paragraphs 2.4 (a) and 2.4(b) are not fulfilled, Board and/or MD Anderson may treat such failure as a breach in accordance with Paragraph 7.3(b).

**[Optional- to be negotiated by OTC]**

(d) Licensee may extend any of the deadlines for achieving the Diligence Milestones set forth in Paragraph 2.4(b) above, up to a maximum of \_\_\_ times, upon written notice to MD Anderson requesting an extension and full payment of the Extension Fee, as defined below prior to expiration of the deadline.  For purposes of this Agreement, the term “Extension Fee” shall mean $\_\_\_\_\_\_\_\_\_ for each extension request.    Upon payment of each Extension Fee with respect to any of the Diligence Milestones, an additional year will be added to the time for completion of such Diligence Milestone and all other as yet unmet Diligence Milestones. It is understood and agreed that time is of the essence with respect to payment of the Extension Fee, and failure to timely pay an Extension Fee shall not be subject to any cure period.

**3. Compensation**

In consideration of rights granted to Licensee, Licensee will pay MD Anderson the following fees and royalties. All fees and royalties are not refundable and are not creditable against other fees and royalties. Payments shall be made as specified in Paragraph 18.2.

3.1 Non-Royalty Payments due from Licensee

(a) *Patent Expenses.* Licensee will pay all Patent Expenses in accordance with Section 6.

1. *Scheduled License Fees*. Licensee will pay license fees in the following amounts and in accordance with the following schedule.
2. Upfront License Fee: Licensee shall pay an Upfront License Fee of $ \_\_\_\_\_\_ due (without invoice) within 30 days of either the Effective Date or the date this Agreement has been fully executed by all Parties, whichever is later (“Upfront License Fee”). This Upfront License Fee includes $\_\_\_\_\_\_\_\_\_\_\_ for estimated past patent expenses as of \_\_\_\_\_\_\_\_\_\_, 20\_\_, based on invoices received by MD Anderson through the foregoing date. Licensee’s obligations to pay all past and future patent expenses pursuant to Section 6 (Patent Expenses and Prosecution) will not be limited by such amount. The Upfront License Fee shall not be subject to the 30 day cure period set forth in Paragraph 7.3(a), below.

(ii) Annual Fees: Licensee shall pay the following Annual Fees**:**

$\_\_\_\_ due on \_\_\_\_\_, 20\_\_, and

$\_\_\_\_ due on \_\_\_\_\_, 20\_\_, every anniversary thereafter.

1. Milestone Fees. Licensee will pay Milestone Fees within thirty (30) days pf achieving the following milestone events:

|  |  |
| --- | --- |
| **Milestone Events** | **Milestone Fees** |
| 1. Milestone | $\_\_\_\_\_\_\_\_ |
| 2. Milestone | $\_\_\_\_\_\_\_\_ |
| 3. Milestone | $\_\_\_\_\_\_\_\_ |
| 4. Milestone | $\_\_\_\_\_\_\_\_ |
| 5. Milestone | $\_\_\_\_\_\_\_\_ |
| 6. Milestone | $\_\_\_\_\_\_\_\_ |

Licensee shall promptly notify MD Anderson that the milestone has been achieved as provided in Paragraph 4.1(f).

(d) *Sublicense Fees*. Licensee will pay Sublicense Fees in an amount equal to \_\_\_% of Non-Royalty Sublicensing Consideration on or before the Quarterly Payment Deadline for the Contract Quarter during which Licensee receives such consideration.

(e) *Assignment Fee*. Licensee shall pay the assignment fee equal to \_\_\_\_\_\_\_\_\_\_ within 15 days of any permitted assignment of this Agreement or the attempted assignment by Licensee shall be null and void.

3.2 Royalties

Licensee will pay running royalties on Net Product Sales and Net Service Sales during each Contract Quarter on or before the Quarterly Payment Deadline for such Contract Quarter, as follows: (a) \_\_\_% of Net Product Sales and Net Service Sales in each Contract Quarter for Licensed Products and Licensed Services covered by one or more Valid Claims; and (b) \_\_\_% of Net Product Sales and Net Service Sales in each Contract Quarter for Licensed Products and Licensed Services not covered by a Valid Claim. No royalty shall be payable under this Paragraph 3.2 with respect to (i) Sales to an Affiliate or Sublicensee of a particular unit of Licensed Product that is used by such Affiliate or Sublicensee to perform a Licensed Service if MD Anderson is paid a royalty on the Sale of such Licensed Service, (ii) the Sale of Licensed Products between or among Licensee, its Affiliates, and Sublicensees for re-sale purposes, provided MD Anderson is paid a royalty with respect to the re-sale, or (iii) payments that constitute Non-Royalty Sublicensing Consideration**.**

3.3 Minimum Royalties

If running royalties paid to MD Anderson under Paragraph 3.2 do not reach the following minimum royalty amounts: $\_\_\_\_\_\_\_\_ for the Contract Year ending December 31, 20\_\_; $\_\_\_\_\_\_\_\_ for the Contract Year ending December 31, 20\_\_; and $\_\_\_\_\_\_\_\_\_ for each Contract Year thereafter, Licensee will pay MD Anderson on or before the Quarterly Payment Deadline for the last Contract Quarter in the stated period an additional amount equal to the difference between the stated minimum royalty amount and the actual royalties paid to MD Anderson.

3.4 Non-cash Consideration

If Licensee receives or anticipates receipt of non-cash consideration from Sales or Sublicenses, the manner in which MD Anderson will receive its compensation under this Agreement with respect to such non-cash consideration will be negotiated in good faith and timely agreed to by the Parties.

3.5 Equity

**[Note: If equity is to be issued Legal will draft appropriate provisions. Language will specify if the equity is license equity (consideration for the license grant, and shared with the Inventors) or investment equity (received as part of MD Anderson’s investment in the Licensee, and not shared with the Inventors.]**

**4. Reports and Plans**

The reports specified in this Section 4 will be sent to MD Anderson’s contact identified in Paragraph 18.1. If MD Anderson requests the submission of information in a particular format, Licensee will use reasonable efforts to comply with such request.

4.1 Quarterly Payment and Milestone Reports

On or before each Quarterly Payment Deadline, Licensee will deliver to MD Anderson a true and accurate report, certified by an officer of Licensee, giving such particulars of the business conducted by Licensee, its Affiliates and its Sublicensees (including copies of reports provided by Sublicensees and Affiliates to Licensee) during the preceding Contract Quarter under this Agreement as necessary for MD Anderson to account for Licensee’s payments, including royalties, hereunder, even if no payments are due. The reports shall continue to be delivered after the termination or expiration of this Agreement until such time as all Licensed Products permitted to be Sold, if any, have been Sold or destroyed. The report shall include:

(a) The name of the Licensee, the title and date of this Agreement, and the period covered by the report;

(b) The name of any Affiliates and Sublicensees whose activities are also covered by the report;

(c) Identification of each Licensed Product and Licensed Service for which any royalty payments have become payable;

(d) Net Product Sales and Net Service Sales segregated on a product-by-product, service-by service, and a country-by-country basis, or an affirmative statement that no Sales were made. The report shall also itemize the permitted deductions from the Gross Consideration used to arrive at the resulting Net Product Sales and Net Service Sales, on a product-by-product, service-by service, and country-by-country basis;

(e) The applicable royalty rate;

(f) An affirmative statement of whether any milestones with deadlines in that Contract Quarter under Paragraph 2.4 and any milestones under Paragraph 3.1(c) were achieved or not achieved, and the resulting Milestone Fee payable;

(g) Non-Royalty Sublicensing Consideration received by Licensee segregated on a Sublicense-by-Sublicense basis, or an affirmative statement that none was received;

(h) If any consideration was received in currencies other than U.S. dollars, the report shall describe the currency exchange calculations; and

(i) Any changes in accounting methodologies used to account for and calculate the items included in the report since the previous report.

4.2 Annual Written Progress Report and Commercialization Plan

Within 45 days following the end of each Contract Year, Licensee will deliver to MD Anderson a true and accurate signed written progress report that summarizes (a) Licensee’s efforts and accomplishments during the Contract Year to diligently commercialize Licensed Products and Licensed Services, and (b) Licensee’s development and commercialization plans with respect to Licensed Products and Licensed Services for the next Contract Year. The report shall also cover such activities by Affiliates and Sublicensees. The report shall contain the following information to the extent relevant to the activities under this Agreement:

(i) The name of the Licensee, the title and date of this Agreement, the names of any Affiliates and Sublicensees, and the products and services being developed and/or commercialized;

(ii) The progress toward completing and the plans for completing the applicable milestone events pursuant to Paragraphs 2.4 and 3.1(c); and

(iii) The research and development activities, including status and plans for obtaining any necessary Regulatory Approvals, performed during the past year, and the plans for research and development activities for the next year.

**5. Payment, Records, and Audits**

5.1 Payments

All amounts referred to in this Agreement are expressed in U.S. dollars without deductions for taxes, assessments, fees, or charges of any kind. All payments to MD Anderson will be made in U.S. dollars by check or wire transfer (Licensee to pay all wire transfer fees) as specified in Paragraph 18.2.

5.2 Sales Outside the U.S.

If any currency conversion shall be required in connection with the calculation of payments hereunder, such conversion shall be made using the rate used by Licensee for its financial reporting purposes in accordance with Generally Accepted Accounting Principles (or foreign equivalent) or, in the absence of such rate, using the average of the buying and selling exchange rate for conversion between the foreign currency and U.S. Dollars, for current transactions as reported in *The Wall Street Journal* on the last business day of the Contract Quarter to which such payment pertains.

5.3 Late Payments

Amounts that are not paid by Licensee when due will accrue a late charge from the due date until paid, at a rate equal to 1.0% per month (or the maximum allowed by law, if less).

If Licensee is more than thirty (30) days in arrears on any payment or obligation due under this Agreement, Board, MD Anderson, and Prosecution Counsel shall have no obligation to confer or otherwise communicate with, or provide any information to, Licensee under Section 6 of this Agreement, until Licensee becomes current on all payments and obligations under this Agreement.

5.4 Records

For a period of six years after the Contract Quarter to which the records pertain, Licensee shall keep, and shall cause its Affiliates and each Sublicensees to keep, complete and accurate records of their Sales, Net Product Sales, Net Service Sales, Milestone Fees, and Non-Royalty Sublicensing Consideration in sufficient detail to enable such payments to be determined and audited.

5.5 Auditing

Licensee and its Affiliates will permit MD Anderson or its representatives, at MD Anderson’s expense, to periodically examine books, ledgers, and records during regular business hours, at Licensee’s or its Affiliate’s place of business, on at least 30 days advance notice, to the extent necessary to verify any payment or report required under this Agreement.  For each Sublicensee, Licensee shall obtain such audit rights for MD Anderson or itself. If Licensee obtains such audit rights for itself, Licensee will promptly conduct an audit of the Sublicensee’s records upon MD Anderson’s request, and Licensee will furnish to MD Anderson a copy of the findings from such audit. No more than one audit of Licensee, each Affiliate, and each Sublicensee shall be conducted under this Paragraph 5.5 in any calendar year. If any amounts due MD Anderson have been underpaid, then Licensee shall immediately pay MD Anderson the amount of such underpayment plus accrued interest due in accordance with Paragraph 5.3. If the amount of underpayment is equal to or greater than 5% of the total amount due for the records so examined, Licensee will pay the cost of such audit. Such audits may, at MD Anderson’ssole discretion, consist of a self-audit conducted by Licensee at Licensee’s expense and certified in writing by an authorized officer of Licensee. All information examined pursuant to this Paragraph 5.5 shall be deemed to be the Confidential Information of the Licensee.

**6. Patent Expenses and Prosecution**

6.1 Patent Expenses

Licensee shall pay for all past documented, out-of-pocket expenses incurred by Board or MD Anderson for filing, prosecuting, defending and maintaining Patent Rights and related patent searches through the Effective Date of this Agreement, including those identified in Paragraph 3.1(b) (i), and all such future expenses incurred by Board or MD Anderson, for so long as and in such countries as this Agreement remains in effect (“Patent Expenses”). Licensee will pay all Patent Expenses (except for the payment called for under Paragraph 3.1(b) (i)), including past expenses that have not been invoiced as of the date indicated in Paragraph 3.1(b) (i) and future expenses, within 30 days after Licensee’s receipt of an invoice. At the election of MD Anderson, Licensee will either pay Prosecution Counsel directly for Patent Expenses or will reimburse MD Anderson for such Patent Expenses. Patent Expense payment delinquencies (whether owed directly to Prosecution Counsel or to MD Anderson) will be considered a payment default under Paragraph 7.3(a).

6.2 Direction of Prosecution **[use this language only if licensed in all fields of use]**

MD Anderson will confer with Licensee to develop a strategy for the prosecution and maintenance of Patent Rights. MD Anderson will request that copies of all documents prepared by the Prosecution Counsel for submission to governmental patent offices be provided to Licensee for review and comment prior to filing, to the extent practicable under the circumstances. At its discretion, MD Anderson may allow Licensee to instruct Prosecution Counsel directly, provided, that (a) MD Anderson will maintain final authority in all decisions regarding the prosecution and maintenance of the Patent Rights, (b) MD Anderson may revoke this authorization to instruct Prosecution Counsel directly at any time, and (c) the Prosecution Counsel remains counsel to MD Anderson with an appropriate contract (and shall not jointly represent Licensee unless requested by Licensee and approved by MD Anderson, and an engagement letter and conflict waiver (both acceptable to MD Anderson) are in effect). If Licensee wishes to instruct Prosecution Counsel directly or change Prosecution Counsel, Licensee may request to do so by following the Board and MD Anderson’s procedures for such. MD Anderson reserves in its sole discretion the ability to change Prosecution Counsel and to approve or disapprove any requested changes by Licensee. The Parties agree that they share a common legal interest to get valid enforceable patents and that Licensee will maintain as privileged all information received pursuant to this Section. Notwithstanding Paragraph 18.1, MD Anderson may, at its discretion, provide (or instruct Prosecution Counsel to provide) documents and communications regarding patent prosecution and maintenance to Licensee or Licensee's designee by email or regular U.S. mail.

6.3 Ownership

All patent applications and patents will be in the name of Board and owned by Board. No payments due under this Agreement will be reduced as the result of co-ownership interests in the Patent Rights by Licensee or any other party.

6.4 Foreign Filings **[use this language only if licensed in all fields of use]**

In addition to the U.S., the Patent Rights shall, subject to applicable bar dates, be pursued in such foreign (i.e., non-U.S.) countries as Licensee so designates in writing to MD Anderson in sufficient time to reasonably enable the preparation of such additional filings, and in those foreign countries, if any, in which MD Anderson has filed applications prior to the Effective Date. If Licensee does not choose to pursue patent rights in a particular foreign country and MD Anderson chooses to do so, Licensee shall so notify MD Anderson and thereafter said patent application or patent shall no longer be included in the Patent Rights and Licensee shall have no further rights thereto. MD Anderson shall have the right, in its sole discretion, to require upfront payment of any or all foreign Patent Expenses.

6.5 Withdrawal from Paying Patent Expenses

If at any time Licensee wishes to cease paying Patent Expenses for a particular Patent Right or for patent prosecution or maintenance for a patent or patent application in a particular jurisdiction, Licensee must give MD Anderson at least 90 days prior written notice and Licensee will continue to be obligated to pay for the Patent Expenses which reasonably accrue with respect thereto during said notice period. Thereafter, said particular Patent Right, patent application, or patent shall no longer be included in the Patent Rights and Licensee shall have no further rights thereto.

6.6 Failure to pay Patent Expenses.

MD Anderson shall not be obligated to file, prosecute or maintain any patent or patent application if Licensee is in arrears or otherwise in default or late with respect to any Patent Expenses or other payments or obligations hereunder.

6.7 U.S. Patent and Trademark Office Entity Size Status

Licensee represents that as of the Effective Date the entity size status of Licensee in accordance with the regulations of the U.S. Patent and Trademark Office is as set forth in Exhibit A. Licensee will inform MD Anderson in writing on a timely basis of any change in its U.S. Patent and Trademark Office entity size status.

**7. Term and Termination**

7.1 Term

Unless earlier terminated as provided herein, the term of this Agreement is from the Effective Date until the last to occur of: (a) the expiration of all patents issued under Patent Rights (if any) and the cancellation, withdrawal, or express abandonment of all patent applications under Patents Rights (if any), or (b) the date that is the twentieth (20th) anniversary of the Effective Date.

7.2 Termination by Licensee

Licensee, at its option, may terminate this Agreement, provided Licensee is not in default on any of its obligations under this Agreement, by providing MD Anderson written notice of intent to terminate and paying MD Anderson a Termination Fee of \_\_\_\_\_\_\_\_, which such termination will be effective 90 days following receipt of such notice and Termination Fee by MD Anderson.

7.3 Termination by MD Anderson

MD Anderson may immediately terminate this Agreement, or Licensee's rights with respect to any part of Licensed Subject Matter, or any part of Field, or any part of Territory, or the exclusive nature of the license grant, upon delivery of written notice to Licensee of MD Anderson’s decision to terminate, if any of the following occur:

(a) Licensee becomes in arrears in any payments due under this Agreement and Licensee fails to make the required payment within 30 days after delivery of written notice from MD Anderson (except for the Upfront License Fee in Paragraph 3.1(b)(i), for which no cure period applies); or

(b) Licensee is in breach of any non-payment provision of this Agreement, and does not cure such breach within 60 days after delivery of written notice from MD Anderson; or

(c) MD Anderson delivers notice to Licensee of three or more actual breaches of this Agreement in any 12-month period, even in the event that Licensee cures such breaches in the allowed period; or

(d) Licensee or its Affiliate or Sublicensee initiates any proceeding or action to challenge the validity, enforceability, or scope of one or more of the Patent Rights, or assists a third party in pursuing such a proceeding or action.

7.4 Other Conditions of Termination

This Agreement will terminate:

(a) Immediately without the necessity of any action being taken by MD Anderson or Licensee: (i) if Licensee becomes bankrupt or insolvent; (ii) Licensee’s board of directors elects to liquidate its assets or dissolve its business; (iii) Licensee ceases its business operations; (iv) Licensee makes an assignment for the benefit of creditors; or (v) if the business or assets of Licensee are otherwise placed in the hands of a receiver, assignee or trustee, whether by voluntary act of Licensee or otherwise; or

(b) At any time by mutual written agreement between Licensee and MD Anderson; or

(c) Immediately, upon written notice from MD Anderson to Licensee, if the Upfront License Fee specified in Paragraph 3.1(b)(i) is not timely paid.

7.5 Effect of Termination

If this Agreement is terminated for any reason:

(a) All rights and licenses of Sublicensees shall terminate upon termination of this Agreement; provided however, if the Sublicense Agreement is for all of the Field for all of the Territory, and the Sublicensee is in good standing and agrees in writing to assume all of the obligations of Licensee and provides MD Anderson with written notice thereof within 30 days after termination of this Agreement, then such Sublicense Agreement shall survive; and

(b) Licensee (and any Affiliates or Sublicensees) shall cease making, having made, distributing, having distributed, using, selling, offering to sell, leasing, loaning and importing any Licensed Products and performing Licensed Services by the effective date of termination; and

(c) Licensee shall tender payment of all accrued royalties and other payments due to MD Anderson as of the effective date of termination within 30 days thereafter; and

(d) Nothing in this Agreement will be construed to release either Party from any obligation that matured prior to the effective date of termination; and

(e) The provisions of Sections 8 (Confidentiality), 9 (Infringement and Litigation), 11 (Representations and Disclaimers), 12 (Limit of Liability), 13 (Indemnification), 14 (Insurance), 17 (Use of Name), 18 (Notices), and 19 (General Provisions) shall survive any termination or expiration of this Agreement. In addition, the provisions of Section 3 (Compensation), Paragraph 4.1 (Quarterly Payment and Milestone Reports), Section 5 (Payment, Records and Audits), and Paragraph 6.1 (Patent Expenses) shall survive with respect to all activities and payment obligations accruing prior to the termination or expiration of this Agreement.

**8. Confidentiality**

8.1 Definition

“Confidential Information” means all information that is of a confidential and proprietary nature to Board, MD Anderson or Licensee and provided by one party (the "Disclosing Party")to the other party (the "Receiving Party") under this Agreement.

8.2 Protection and Marking

All Confidential Information disclosed by Disclosing Party in tangible form, and marked “confidential” and forwarded to the Receiving Party, or if disclosed orally, is designated as confidential at the time of disclosure: (i) is to be held in strict confidence by the Receiving Party, (ii) is to be used by the Receiving Party only as authorized in this Agreement, and (iii) shall not be disclosed by the Receiving Party, its agents or employees without the prior written consent of the Disclosing Party or as authorized in this Agreement. Licensee has the right to use and disclose Confidential Information of Board and/or MD Anderson reasonably in connection with the exercise of its rights under this Agreement, including without limitation disclosing to Affiliates, Sublicensees, potential investors, acquirers, and others on a need to know basis, if such Confidential Information is provided under conditions which reasonably protect the confidentiality thereof. The Receiving Party’s obligation of confidence hereunder includes, without limitation, using at least the same degree of care with the Disclosing Party’s Confidential Information as Receiving Party uses to protect its own Confidential Information, but always at least a reasonable degree of care.

8.3 Confidentiality of Terms of Agreement

Neither Party shall disclose to any third party the terms of this Agreement without the prior written consent of the other Party hereto, except each Party may disclose the terms of this Agreement: (a) to advisors, actual or potential Sublicensees, acquirers or investors, and others on a need to know basis, in each case, under appropriate confidentiality obligations substantially similar to those of this Section 8; and (b) to the extent necessary to comply with applicable laws and court orders (including, without limitation, The Texas Public Information Act, as may be amended from time to time, other open records laws, decisions and rulings, and securities laws, regulations and guidance). **[Include if applicable:** If this Agreement is not for all fields of use, then Board and/or MD Anderson may disclose the existence of this Agreement and the Field to other potential third party licensees. In addition, if this Agreement is not for all fields of use, Board and/or MD Anderson may disclose relevant non-financial terms (such as patent prosecution, infringement and litigation obligations) in confidence to other potential third party licensees.] Notwithstanding the foregoing, the existence of this Agreement shall not be considered Confidential Information.

8.4 Disclosure Required by Court Order or Law

If the Receiving Party is required to disclose Disclosing Party's Confidential Information, or any terms of this Agreement, pursuant to the order or requirement of a court, administrative agency, or other governmental body or applicable law, the Receiving Party may disclose such Confidential Information or terms to the extent required, provided that the Receiving Party shall use reasonable efforts to provide the Disclosing Party with reasonable advance notice thereof to enable the Disclosing Party to seek a protective order and otherwise seek to prevent such disclosure. To the extent that Confidential Information so disclosed does not become part of the public domain by virtue of such disclosure, it shall remain Confidential Information protected pursuant to Section 8.

8.5 Copies

The Receiving Party shall not copy or record any of the Confidential Information of the Disclosing Party, except as reasonably necessary to exercise its rights or perform its obligations under this Agreement, and for archival and legal purposes.

8.6 Continuing Obligations

Subject to the exclusions listed in Paragraph 8.7, the Parties’ confidentiality obligations under this Agreement will survive termination of this Agreement and will continue for a period of five years thereafter.

8.7 Exclusions

## Information shall not be considered Confidential Information of a Disclosing Party under this Agreement to the extent that the Receiving Party can establish by competent written proof that such information:

## (a) Was in the public domain at the time of disclosure; or

### (b) Later became part of the public domain through no act or omission of the Receiving Party, its employees, agents, successors or assigns in breach of this Agreement; or

### (c) Was lawfully disclosed to the Receiving Party by a third party having the right to disclose such information not under an obligation of confidentiality; or

### (d) Was already known by the Receiving Party at the time of disclosure; or

(e) Was independently developed by the Receiving Party without use of the Disclosing Party’s Confidential Information.

8.8 Copyright Notice

The placement of a copyright notice on any Confidential Information will not be construed to mean that such information has been published and will not release the other Party from its obligation of confidentiality hereunder.

8.9 No Limitation on Board's or MD Anderson's Publication Rights

Nothing in this Section 8 shall be construed to limit Board's or MD Anderson’s reserved right to publish the scientific findings from research related to Licensed Subject Matter, as set forth in Paragraph 2.1(c).

**9. Infringement and Litigation**

9.1 Notification

If either MD Anderson’s designated office for technology commercialization or Licensee becomes aware of any infringement or potential infringement of Patent Rights in the Field, each Party shall promptly notify the other of such in writing.

9.2 Licensee’s Enforcement Rights

Licensee shall enforce the Patent Rights against any infringement by a third party in the Field.  Licensee shall provide MDA with written notice of its intent to file an infringement lawsuit at least 20 days before filing. Licensee shall be responsible for payment of all fees and expenses associated with such enforcement incurred by Licensee and incurred by MD Anderson in providing cooperation or joining as a party as provided in Paragraph 9.4.  Any monetary recovery for actual damages or punitive or enhanced damages in excess of Licensee’s documented, third-party expenses in enforcing the Patent Rights and amounts actually reimbursed by Licensee to MD Anderson under this Paragraph 9.2 shall be shared by Licensee with MD Anderson as follows: 25% of such monetary recovery shall be paid to MD Anderson and 75% shall be retained by Licensee.

9.3 Board's and MD Anderson’s Enforcement Rights

If Licensee does not file suit within six months after a written request by MD Anderson to initiate an infringement action against an infringer in the Field, then Board and/or MD Anderson shall have the right, in their sole discretion, to bring suit to enforce any Patent Right licensed hereunder against the infringing activities, with MD Anderson retaining all recoveries from such enforcement. If Board and/or MD Anderson pursues such infringement action, Board and/or MD Anderson may, as part of the resolution thereof, grant non-exclusive license rights to the alleged infringer notwithstanding Licensee’s exclusive license rights.

9.4 Cooperation between the Parties

In any infringement suit or dispute, the Parties shall cooperate fully with each other. At the request of the Party bringing suit, the other Party will permit reasonable access, after reasonable advance notice and subject to any confidentiality obligations (including but not limited to restrictions on access to patient information), to all relevant personnel, records, papers, information, samples, specimens, etc., during regular business hours. If it is necessary to name Board or MD Anderson as a party in such action, then Licensee must first obtain Board's and MD Anderson’s prior written permission, which permission shall not be unreasonably withheld, provided that Board and MD Anderson shall have reasonable prior input on choice of counsel on any matter where such counsel represents Board or MD Anderson, and Licensee and such counsel agree to follow all required procedures of the Texas Attorney General regarding retention of outside counsel for state entities.

**10. Export Compliance**

Licensee understands that the Arms Export Control Act (AECA), including its implementing International Traffic In Arms Regulations (ITAR), and the Export Administration Act (EAA), including its Export Administration Regulations (EAR), are some (but not all) of the laws and regulations that comprise the U.S. export laws and regulations. Licensee further understands that the U.S. export laws and regulations include (but are not limited to): (a)  ITAR and EAR product/service/data-specific requirements; (b) ITAR and EAR ultimate destination-specific requirements; (c) ITAR and EAR end user-specific requirements; (d) Foreign Corrupt Practices Act; and (e) anti-boycott laws and regulations. Licensee will comply with all then-current applicable export laws and regulations of the U.S. Government (and other applicable U.S. laws and regulations) pertaining to the Licensed Products and Licensed Services (including any associated products, items, articles, computer software, media, services, technical data, and other information). Licensee certifies that it will not, directly or indirectly, export (including any deemed export), or re-export (including any deemed re-export) the Licensed Products and Licensed Services (including any associated products, items, articles, computer software, media, services, technical data, and other information) in violation of applicable U.S. laws and regulations. Licensee will include a provision in its agreements, substantially similar to this Section 10, with its Sublicensees, third party wholesalers and distributors, and physicians, hospitals or other healthcare providers who purchase a Licensed Product, requiring that these parties comply with all then-current applicable U.S. export laws and regulations and other applicable U.S. laws and regulations.

**11. Representations and Disclaimers**

11.1 Board Representations

Except for the rights, if any, of the Government as set forth in Paragraph 11.2, Board represents and warrants to Licensee that to the knowledge of MD Anderson’s designated office for technology commercialization (i) Board is the owner or agent of the entire right, title, and interest in and to Patent Rights (other than the right, title and interest of any joint owner identified in Exhibit A), (ii) Board has the right to grant licenses hereunder, and (iii) Board has not knowingly granted and will not knowingly grant licenses or other rights under the Patent Rights that are in conflict with the terms and conditions in this Agreement.

11.2 Government Rights

Licensee understands that Licensed Subject Matter may have been developed under a funding agreement with Government and, if so, that Government may have certain rights relative thereto. This Agreement is made subject to the Government’s rights under any such agreement and under any applicable Government law or regulation. To the extent that there is a conflict between any such agreement, such applicable law or regulation and this Agreement, the terms of such Government agreement, and applicable law or regulation, shall prevail. Licensee shall assure that, to the extent required by U.S. laws and regulations, Licensed Products used or Sold in the U.S. will be manufactured substantially in the U.S., unless a written waiver is obtained in advance from the U.S. Government.

11.3 Board and MD Anderson Disclaimers

EXCEPT AS SPECIFICALLY SET FORTH IN PARAGRAPH 11.1, LICENSEE UNDERSTANDS AND AGREES THAT NEITHER BOARD NOR MD ANDERSON MAKES ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, AS TO THE LICENSED PRODUCTS OR LICENSED SERVICES, OR AS TO THE OPERABILITY OR FITNESS FOR ANY USE OR PARTICULAR PURPOSE, MERCHANTABILITY, SAFETY, EFFICACY, APPROVABILITY BY REGULATORY AUTHORITIES, TIME AND COST OF DEVELOPMENT, PATENTABILITY, AND/OR BREADTH OF PATENT RIGHTS. NEITHER BOARD NOR MD ANDERSON MAKES ANY REPRESENTATION AS TO WHETHER ANY PATENT WITHIN PATENT RIGHTS IS VALID, OR AS TO WHETHER THERE ARE ANY PATENTS NOW HELD, OR WHICH WILL BE HELD, BY OTHERS OR BY BOARD OR MD ANDERSON THAT MIGHT BE REQUIRED FOR USE OF PATENT RIGHTS IN FIELD. NEITHER BOARD NOR MD ANDERSON MAKES ANY REPRESENTATION THAT THE INVENTIONS CONTAINED IN PATENT RIGHTS DO NOT INFRINGE ANY OTHER PATENTS NOW HELD OR THAT WILL BE HELD BY OTHERS OR BY BOARD. NOTHING IN THIS AGREEMENT WILL BE CONSTRUED AS CONFERRING BY IMPLICATION, ESTOPPEL OR OTHERWISE ANY LICENSE OR RIGHTS TO ANY PATENTS OR TECHNOLOGY OF BOARD OR MD ANDERSON OTHER THAN THE PATENT RIGHTS, WHETHER SUCH PATENTS ARE DOMINANT OR SUBORDINATE TO THE PATENT RIGHTS, OR THE TECHNOLOGY RIGHTS SPECIFICALLY DESCRIBED HEREIN.

11.4 Licensee Representations

By execution of this Agreement, Licensee represents, warrants, acknowledges, covenants and agrees (a) that Licensee has not been induced in any way by Board or MD Anderson or its employees to enter into this Agreement, and (b) that Licensee has been given an opportunity to conduct sufficient due diligence with respect to all items and issues pertaining to this Section 11 (Representations and Disclaimers) and all other matters pertaining to this Agreement; and (c) that Licensee has adequate knowledge and expertise, or has utilized knowledgeable and expert consultants, to adequately conduct the due diligence, and (d) that Licensee accepts all risks inherent herein. Licensee represents that it is a duly organized, validly existing entity of the form indicated in the preamble to this Agreement, and is in good standing under the laws of its jurisdiction of organization as indicated in the preamble of this Agreement, and has all necessary corporate or other appropriate power and authority to execute, deliver and perform its obligations hereunder.

**12. Limit of Liability**

IN NO EVENT SHALL BOARD, SYSTEM, ITS MEMBER INSTITUTIONS (INCLUDING BUT NOT LIMITED TO MD ANDERSON), OR THEIR RESPECTIVE INVENTORS, REGENTS, OFFICERS, EMPLOYEES, STUDENTS, AGENTS OR AFFILIATED ENTERPRISES, BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS OR REVENUE) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER, REGARDLESS OF WHETHER THE FOREGOING OR ANY PARTY HERETO KNOWS OR SHOULD KNOW OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN FOR CLAIMS AGAINST LICENSEE FOR INDEMNIFICATION (SECTION 13) OR FOR MISUSE OR MISAPPROPRIATION OR INFRINGEMENT OF BOARD'S OR MD ANDERSON’S INTELLECTUAL PROPERTY RIGHTS, LICENSEE WILL NOT BE LIABLE TO BOARD OR MD ANDERSON FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF PROFITS OR REVENUE) ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ITS SUBJECT MATTER, REGARDLESS OF WHETHER LICENSEE KNOWS OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

**13. Indemnification**

13.1 Indemnification Obligation

SUBJECT TO PARAGRAPH 13.2, LICENSEE SHALL HOLD HARMLESS, DEFEND AND INDEMNIFY BOARD, SYSTEM, ITS MEMBER INSTITUTIONS (INCLUDING BUT NOT LIMITED TO MD ANDERSON), AND THEIR RESPECTIVE REGENTS, OFFICERS, EMPLOYEES, STUDENTS AND AGENTS (“INDEMNIFIED PARTIES”) FROM AND AGAINST ANY LIABILITIES, DAMAGES, CAUSES OF ACTION, SUITS, JUDGMENTS, LIENS, PENALTIES, FINES, LOSSES, COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEYS’ FEES AND OTHER EXPENSES OF LITIGATION) (COLLECTIVELY “LIABILITIES”) RESULTING FROM CLAIMS OR DEMANDS BROUGHT BY THIRD PARTIES AGAINST AN INDEMNIFIED PARTY ON ACCOUNT OF ANY INJURY OR DEATH OF PERSONS, DAMAGE TO PROPERTY, OR ANY OTHER DAMAGE OR LOSS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE EXERCISE OR PRACTICE BY OR UNDER AUTHORITY OF LICENSEE, ITS AFFILIATES OR THEIR SUBLICENSEES, OR THIRD PARTY WHOLESALERS OR DISTRIBUTORS, OR PHYSICIANS, HOSPITALS OR OTHER HEALTHCARE PROVIDERS WHO PURCHASE A LICENSED PRODUCT OR LICENSED SERVICE, OF THE RIGHTS GRANTED BY BOARD AND/OR MD ANDERSON UNDER THIS AGREEMENT.

13.2 Conditions of Indemnification

Licensee shall have no responsibility or obligation under Paragraph 13.1 for any Liabilities to the extent caused by the gross negligence or willful misconduct of Board or MD Anderson. Obligations to indemnify and hold harmless under Paragraph 13.1 are subject to: (a) to the extent authorized by the Texas Constitution and the laws of the State of Texas and subject to the statutory duties of the Texas Attorney General, the Indemnified Party giving Licensee control of the defense and settlement of the claim and demand; and (b) to the extent authorized by the Texas Constitution and the laws of the State of Texas and subject to statutory duties of the Texas Attorney General, the Indemnified Party providing the assistance reasonably requested by Licensee, at Licensee’s expense.

**14. Insurance**

14.1 Insurance Requirements

Prior to any Licensed Product being used or Sold (including for the purpose of obtaining Regulatory Approval), and prior to any Licensed Service being performed by Licensee, an Affiliate, or by a Sublicensee, and for a period of five years after this Agreement expires or is terminated, Licensee shall, at its sole cost and expense, procure and maintain commercial general liability insurance in commercially reasonable and appropriate amounts for the Licensed Product being used or Sold or the Licensed Service being performed. Licensee shall use commercially reasonable efforts to have the Board, System, its member institutions (including but not limited to MD Anderson), and their respective Regents, officers, employees, and Inventors named as additional insureds. Such commercial general liability insurance shall provide, without limitation: (a) product liability coverage; (b) broad form contractual liability coverage for Licensee’s indemnification under this Agreement; and (c) coverage for litigation costs.

14.2 Evidence of Insurance and Notice of Changes

Upon request by MD Anderson, Licensee shall provide MD Anderson with written evidence of the insurance referenced in Paragraph 14.1 above. Additionally, Licensee shall provide MD Anderson with written notice of at least 60 days prior to Licensee cancelling, not renewing, or materially changing such insurance.

**15. Assignment**

This Agreement may not be assigned by Licensee without the prior written consent of MD Anderson, which consent will not be unreasonably withheld. A merger or other transaction in which the equity holders of Licensee prior to such event hold less than a majority of the equity of the surviving or acquiring entity shall be considered an assignment of this Agreement. For any permitted assignment to be effective, (a) Licensee must be in good standing under this Agreement, (b) the Licensee must pay MD Anderson the assignment fee pursuant to Paragraphs 3.1(e), and (c) the assignee must assume in writing (a copy of which shall be promptly provided to MD Anderson) all of Licensee’s interests, rights, duties and obligations under this Agreement and agree to comply with all terms and conditions of this Agreement as if assignee were an original Party to this Agreement.

**16. Marking and Compliance**

16.1 Patent Markings

Licensee shall assure that all Licensed Products Sold by Licensee, Affiliates, or Sublicensees will be legibly marked with the number of any applicable patent(s) licensed hereunder as part of the Patent Rights in accordance with each country’s patent marking laws, including Title 35, U.S. Code, or if such marking is not practicable, that the accompanying outer box or product insert for Licensed Productsis markedaccordingly.

16.2 Governmental Approvals and Marketing of Licensed Products and or Licensed Services

Licensee will be responsible for obtaining all necessary governmental approvals for the development, production, distribution, Sale, and use of any Licensed Product or performance of any Licensed Service, at Licensee’s expense, including, without limitation, any safety studies. Licensee will have sole responsibility for any warning labels, packaging and instructions as to the use and the quality control for any Licensed Product or Licensed Service.

16.3 Foreign Registration and Laws

Licensee shall register this Agreement with any foreign governmental agency that requires such registration and Licensee will pay all costs and legal fees in connection with such registration. Licensee is responsible for compliance with all foreign laws affecting this Agreement or the Sale of Licensed Products and Licensed Services to the extent there is no conflict with United States law, in which case United States law will control.

**17. Use of Name**

Licensee will not use the name, trademarks or other marks of Board, System, MD Anderson, or any of their respective employees or Regents, without the advance written consent of MD Anderson. Board and MD Anderson may useLicensee’s name and logo for annual reports, brochures, website and internal reports without prior consent.

**18. Notices and Payments**

18.1 Any notice of the Parties required or permitted to be given or made under this Agreement will be in writing and will be deemed effective when sent in a manner that provides confirmation or acknowledgement of delivery and received at the mailing address or Fax number set forth below (unless changed by written notice pursuant to this Paragraph 18.1).

|  |  |
| --- | --- |
| **Licensee Contact Information** | **MD Anderson Contact Information** |
| Contact for Notice  Attn: [Name]  [Address]  Fax: [Fax number] | Contact for Notice  Attn: Christopher C. Capelli, M.D.  The University of Texas  M. D. Anderson Cancer Center  Office of Technology Commercialization  7515 S. Main, Suite 490, Unit 0510  Houston, Texas 77030  Fax: 713-563-9568 |

Each Party shall update the other Party in writing with any changes in its contact information.

18.2 All amounts payable hereunder by Licensee will be paid in United States funds without deductions for taxes, assessments, fees, or charges of any kind. Checks are to be made payable to The University of Texas M. D. Anderson Cancer Center, and sent by United States mail to Box 4390, Houston, Texas 77210-4390, or by wire transfer to:

JPMorgan Chase Bank, N.A.

910 Travis

Houston, Texas 77002

SWIFT: CHASUS33 (for international wires only)

ABA ROUTING NO: 021000021

ACCOUNT NAME: Univ. of Texas M. D. Anderson Cancer Center

ACCOUNT NO.: 1586838979

REFERENCE: include title and Effective Date of Agreement and type of payment.

**19. General Provisions**

19.1 Binding Effect

This Agreement is binding upon and inures to the benefit of the Parties hereto, their respective executors, administrators, heirs, permitted assigns, and permitted successors in interest.

19.2 Construction of Agreement

Headings are included for convenience only and will not be used to construe this Agreement. The Parties acknowledge and agree that both Parties substantially participated in negotiating the provisions of this Agreement; therefore, both Parties agree that any ambiguity in this Agreement shall not be construed more favorably toward one Party than the other Party, regardless of which Party primarily drafted this Agreement.

19.3 Counterparts and Signatures

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

19.4 Compliance with Laws

Licensee will comply with all applicable federal, state and local laws and regulations, including, without limitation, all export laws and regulations.

19.5 Governing Law

This Agreement will be construed and enforced in accordance with laws of the U.S. and the State of Texas, without regard to any choice of law and/or conflicts of law principles which would otherwise refer to and apply the laws of another jurisdiction.

19.6 Modification

Any modification of this Agreement will be effective only if it is in writing and signed by duly authorized representatives of both Parties. No modification will be made by email communications.

19.7 Severability

If any provision hereof is held to be invalid, illegal or unenforceable in any jurisdiction, the Parties hereto shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties, and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the intentions of the Parties hereto as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such other provisions in any other jurisdiction, so long as the essential essence of this Agreement remains enforceable.

19.8 Third Party Beneficiaries

Nothing in this Agreement, express or implied, is intended to confer any benefits, rights or remedies on any entity, other than the Parties and their permitted successors and assigns.

19.9 Waiver

Neither Party will be deemed to have waived any of its rights under this Agreement unless the waiver is in writing and signed by such Party. No delay or omission of a Party in exercising or enforcing a right or remedy under this Agreement shall operate as a waiver thereof.

19.10 Sovereign Immunity

Nothing in this Agreement shall be deemed or treated as any waiver of System's, Board's, or MD Anderson’s sovereign immunity.

19.11 Entire Agreement

This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and supersedes all prior written or verbal agreements, representations and understandings relative to such matters.

19.12 Chapter 2260. To the extent that Chapter 2260, Texas Government Code, as it may be amended from time to time ("Chapter 2260"), is applicable to this Agreement, Licensee acknowledges and agrees that the dispute resolution process provided for in Chapter 2260 shall be Licensee’s sole and exclusive process for seeking a remedy for any and all alleged breaches of the Agreement by Board and /or MD Andersonor the State of Texas.

19.13 Grant of Security Interest

Licensee hereby grants to Board and/or MD Anderson a security interest in and to Licensee's rights under this Agreement, as collateral security for the payment by Licensee of any and all sums which may be owed from time to time by Licensee to Board and/or MD Anderson. Board and/or MD Anderson shall have all rights of a secured party as specified in the Texas Uniform Commercial Code relative to this security interest and the enforcement thereof. Licensee hereby authorizes Board and/or MD Anderson to file with the appropriate governmental agencies appropriate UCC-1 financing statements to evidence this security interest.

20. **No Other Promises and Agreements; Representation by Counsel**.

Licensee hereby expressly states, warrants and represents that no promise or agreement which is not herein expressed has been made to Licensee in executing this Agreement except those explicitly set forth herein, and that Licensee is not relying upon any statement or representation of Board or MD Anderson or its representatives. Licensee is relying on Licensee’s own judgment and has had the opportunity to be represented by legal counsel. Licensee hereby warrants and represents that Licensee understands and agrees to all terms and conditions set forth in this Agreement.

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**IN WITNESS WHEREOF**, the Parties hereto have caused their duly authorized representatives to execute this Agreement.

|  |  |
| --- | --- |
| BOARD OF REGENTS OF THE UNIVERSITY OF TEXAS SYSTEM and  THE UNIVERSITY OF TEXAS M. D. ANDERSON CANCER CENTER  By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  The University of Texas  M. D. Anderson Cancer Center  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | (LICENSEE) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Printed Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|  |  |
| Approved as to Content:  By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Christopher C. Capelli, M.D.  Vice President, Technology Based Ventures  Office of Technology Commercialization  M. D. Anderson Cancer Center  Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

**EXHIBIT A TO  
PATENT LICENSE AGREEMENT**

**PATENT RIGHTS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| App. No./  Date of Filing | Title | | Inventor(s) | Prosecution Counsel |
| [App number] [Filing date] | [Title of patent] | | [Inventor name(s)] | [Law firm] |
| [App number] [Filing date] | [Title of patent] | | [Inventor name(s)] | [Law firm] |
| USPTO Entity Status as of Effective Date | |