



Attachment 5-C - ERC Sample Industrial Membership Agreement

SAMPLE INDUSTRIAL PARTNER AGREEMENT^[1]

UNIVERSITY NAME

ERC NAME

This Industrial Partner Agreement (hereinafter called Agreement) is made on this ____ day of _____, by and between XXX (hereinafter called UNIVERSITY), and _____ (hereinafter called MEMBER).

WHEREAS, the parties to this Agreement intend to join together in a cooperative effort to support ERC FULL NAME (hereinafter called ERC) at UNIVERSITY to establish a mechanism whereby the educational and research environment can be used to develop better understanding of GENERAL FIELD OF RESEARCH and stimulate industrial innovation.

AND WHEREAS, this program will strengthen ERC's and MEMBER's, technological and service capabilities.

NOW, THEREFORE, for the mutual premises and covenants contained herein, the parties hereto agree as follows:

1. UNIVERSITY agrees that the personnel and facilities required for the ERC will be available for research, education and service as needed to fulfill the purpose of this Agreement. ERC shall be operated by UNIVERSITY under the leadership of a Director. ERC will be supported jointly by various private and public sponsoring organizations, including MEMBERS, the National Science Foundation (hereinafter called NSF), UNIVERSITY, and the State of XXX.
2. UNIVERSITY, on behalf of ERC, will put into place agreements with XXX, XXX, and XXX (hereinafter called ERC PARTNERING UNIVERSITIES and collectively with UNIVERSITY called ERC UNIVERSITIES) to assure that the rights and obligations of MEMBER that apply to UNIVERSITY, will also apply to ERC PARTNERING UNIVERSITIES.
3. ERC's Industrial Partners Program (hereinafter called IPP) has been created to establish partnerships with companies or other entities which may promote ERC's mission. IPP participants are expected to play an important role in the research, education, technology transfer, and innovation goals of ERC including creating and demonstrating the scientific and technological feasibility of innovative methodologies and systems governing FIELD OF RESEARCH, assisting in the transfer of research discoveries and observations from university to industry and vice versa, and developing an interdisciplinary education program.

Any corporation, company, partnership, sole proprietorship, or any other legally recognized business entity, or any agency of government, government office, or government organization duly authorized by the United States Government or government of any State or Nation may become a MEMBER of the IPP.

The rights and obligations of MEMBER under this Agreement shall extend only to MEMBER's affiliates or subsidiaries who routinely share in a free flow of MEMBER's internal technical information.

4. The fee for participating in the Industrial Partners Program comprises a cash contribution as defined below. In addition, appropriate interactions with ERC administration and researchers to help ERC accomplish its mission are required. The interaction with ERC may include visits to the Center by the partner representatives, visits to the partner by faculty and students, and discussions at professional society meetings or conferences. IPP MEMBERS, during visits to ERC, can work on a mutually agreed upon research projects, mentor students, learn specialized techniques, and give special seminars. It is expected that during the course of their stay, they will develop strong interactions with ERC researchers. Required member duties include:

- a. Meeting a minimum of twice a year



- b. Developing an annual SWOT analysis and presenting to the NSF site visit team;
- c. Reviewing progress on ERC projects;
- d. Provide input on ERC strategic plans;
- e. Provide feedback on proposed project plans;

5. MEMBERS of the IPP are entitled to the following benefits:

- MEMBERS will receive a non-exclusive, royalty free grant of rights to all intellectual property developed by the ERC subject to the provisions defined below in this Agreement.
- MEMBERS may serve as elected representatives on the Technical Executive Committee (TEC). The TEC will be constituted so as to represent the broad spectrum of membership and will ensure the overall synergy of the research carried out in various thrust areas, and recommend to the ERC Director any mid-course corrections in research and/or personnel, as necessary. The TEC will be elected by voting members of the Industrial Advisory Board (IAB). The IAB will consist of all MEMBERS who shall have voting privileges. IAB MEMBERS will participate in recommending priorities of educational and research programs to the Center Director and in evaluation of progress towards the ERC's goals and objectives.
- MEMBERS will have rights to receive a discounted overhead rate of 25% UNIVERSITY Modified Total Director Cost (MTDC), reduced from UNIVERSITY standard 45% MTDC overhead rate, applied to any additional FIELD OF RESEARCH related research associated with ERC researchers which MEMBER sponsors. This favorable rate applies to contracts entered into with UNIVERSITY during MEMBER's participation in the IPP and requires full payment for the additional research in advance.
- MEMBERS will have priority access over non-partners of ERC to ERC facilities and instrumentation in the ERC at nominal fees to cover the operating costs.
- MEMBERS may request on-location short courses to be provided by ERC at fees to be negotiated between ERC and MEMBER to cover costs.
- MEMBERS will have access to the ERC Secure Web Site, which comprises an electronic information network maintained by the Center for timely exchange of information and facilitates access to the ERC created knowledge base of research advances. MEMBERS will have access to all ERC reports, publications, and invention disclosures, per the conditions in this agreement, through the ERC Secure Web Site.

6. Upon execution of this Agreement, payment shall be made as indicated below:

The annual fee for a MEMBER is based upon the number of full time employees within the MEMBER's corporate entity as defined in Section 3, Paragraph 3:

<u>Number of Employees</u>	<u>Annual Fee</u>
Less than 100	\$XX
Between 100 and 500	\$XX
More than 500	\$XX

Payments shall be made annually, with the first payment being due within thirty (30) days of the execution of the Agreement. The initial term of the membership will be from execution of the Agreement through the following 12 months with subsequent terms continuing for 12 months thereafter.

Checks shall be made payable to: XX

Checks shall be mailed to: XX

- 7. All educational, research and other programs and administrative activity of ERC will be conducted with pooled resources with contributions from MEMBERS, and other sources, including NSF, as long as expenditures from these pools are deemed appropriate for the establishment and operation of the ERC.
- 8. This Agreement will be renewed annually with no action required of either party hereto. Either party of this Agreement may terminate annual continuation of the Agreement by providing the other party with written notice at least three months prior to the anniversary date of this Agreement. All notices shall be in writing and addressed to MEMBER's stated address or as follows:



UNIVERSITY ADDRESS

9. The organization and operation of the ERC shall be in accordance with existing procedures established by UNIVERSITY and all applicable State and Federal laws.
10. Intellectual Property and Publication Policies - It is anticipated that development leading to commercially viable products/processes will generally be performed by industrial partners rather than the ERC. If new technology is developed through ERC research, the following policies shall apply:

Invention Disclosure to ERC UNIVERSITIES and MEMBERS – UNIVERSITY researchers supported by ERC core funds are required to submit invention disclosures and/or copyrightable materials disclosures (Federal copyright registrations) to ERC UNIVERSITIES and ERC in a timely fashion. When ERC receives an invention disclosure and/or copyrightable materials disclosure, a copy will be provided to MEMBERS for their review, through either direct mail or the ERC Secure Web Site. UNIVERSITY agrees to a delay in licensing to non-partner companies for a period of 90 days following the disclosure of patentable inventions or copyrightable materials to MEMBERS.

Rights of MEMBER for Non-Exclusive, Royalty Free License for In-House Use of Inventions - All patentable inventions and copyrightable materials conceived or first actually reduced to practice by ERC supported researchers in the course of research conducted at the ERC shall have title vested in the researcher's home university. MEMBERS shall have a right to a non-exclusive, royalty-free license for in-house use of patentable inventions or copyrightable materials developed under the auspices of the ERC. For clarity, in-house use is limited to in-house research and development purposes only and specifically excludes commercial application(s) of the subject invention. If a MEMBER exercises its right to a non-exclusive license, the MEMBER shall inform UNIVERSITY of their intentions within 90 days of receiving or accessing the subject invention disclosure, and MEMBER shall pay its pro rata share, divided evenly among all MEMBERS who choose to exercise their rights to a non-exclusive license of the subject patent, of patent application, prosecution, and maintenance costs, or copyright registration costs quarterly, as defined in a separate agreement with UNIVERSITY to be negotiated at that time. MEMBER rights to a non-exclusive license to patentable inventions and copyrightable materials shall be subject to the conditions of MEMBER exclusive or exclusive for a defined field of use license rights as defined below.

Rights of Member for Negotiation of Exclusive License - All patentable inventions and copyrightable materials conceived or first reduced to practice by ERC personnel in the course of research conducted at ERC shall have title vested in the home university(ies) of ERC supported researcher(s). MEMBER may request an exclusive or exclusive for a defined field of use, royalty-bearing license for patented or patent pending inventions or copyrighted materials developed hereunder within 90 days of receiving or accessing the invention disclosure. UNIVERSITY agrees to consider such requests to negotiate with MEMBER(S) on exclusive or exclusive for a defined field of use, royalty-bearing license(s). Should such license(s) be granted, granting of all other non-exclusive licenses for in-house use to other MEMBERS shall be with-held to the extent that exclusive license(s) require. MEMBER shall pay its prorata share, divided evenly among all MEMBERS who choose to exercise their rights to a license of the subject patent, of patent application, prosecution, and maintenance costs, or copyright registration costs quarterly, as defined in a separate agreement with UNIVERSITY to be negotiated at that time. UNIVERSITY will not unreasonably withhold granting said exclusive or exclusive for a defined field of use license(s).

All exclusive licenses granted in accordance with this provision shall include the right for MEMBER to sublicense to its subsidiaries in accordance with any and all applicable State or Federal laws and/or statutes. Each such sublicense shall be subject to the terms and conditions of the license granted to MEMBER by UNIVERSITY. ERC agrees to promptly notify all MEMBERS of any request for an exclusive or exclusive for a defined field of use license to use any patentable invention or copyrightable material developed by the ERC.

Sublicense to a Third Party - The issuing of a sublicense by MEMBER to a third party to use any patented invention or copyrighted material developed under the auspices of the ERC will be subject to a royalty bearing license agreement to be negotiated with the appropriate ERC UNIVERSITY.

Use of Patented Inventions or Copyrighted Materials by UNIVERSITY - UNIVERSITY shall be free at all times to use patented inventions or copyrighted materials for educational and university research purposes only.

Reasonable Commercialization Efforts - Because of the public interest that pervades UNIVERSITY research programs, any license entered into by UNIVERSITY will embody a clause permitting cancellations thereof if reasonable commercial use of the licensed invention or copyrighted material is not being made or diligently



attempted by the licensee.

Publication of Research Results - Publication of ERC created research results is of fundamental importance to universities, faculty members and their research programs. Therefore, UNIVERSITY reserves the right to publish in scientific journals the results of all research performed at the ERC (excluding proprietary information received from MEMBERS), giving due consideration to scheduling such publications in order to allow time for obtaining appropriate patent or copyright protection for any patentable invention or copyrightable materials that might result from the research. UNIVERSITY agrees to provide a copy of all experimental data resulting from research in ERC program to MEMBER representatives on the IAB for review prior to publication. MEMBER may request delay of the proposed publication of said data for a period not to exceed 90 days from the date of submission or presentation to MEMBER. MEMBER agrees to request said delay only in order to permit the filing of appropriate documents (i.e., patent application, copyright registration, etc.) on any patentable invention or copyrightable materials made by ERC, and MEMBER must make said request in writing, including justification thereof, within 30 days from the date the experimental data was presented or transmitted to MEMBER. Should the proposed publication be a student thesis or dissertation, UNIVERSITY and MEMBER hereby agree to use their best efforts to complete all reviews of material contained therein and any necessary intellectual property protection filings so as to not impede the completion of activities satisfying graduation, degree, or publication requirements by such a student.

Rights to Future Developments - MEMBERS who develop a specific technology based on basic data provided by UNIVERSITY are entitled to any derived patent(s) or copyright(s) without compensation to UNIVERSITY.

11. The parties agree to comply with all applicable State and Federal laws and/or rules concerning equal opportunity and non-discrimination.
12. MEMBER shall not use the name of UNIVERSITY or ERC in any advertising or promotional material without the specific written consent of UNIVERSITY and vice versa. A general exception is hereby granted to MEMBER to use the name of ERC and to cite the fact that ERC is operated by UNIVERSITY in written advertising and other promotional materials provided that: (1) such use is limited to describing the MEMBER relationship to ERC as herein defined by this Agreement, (2) no endorsements by ERC or UNIVERSITY of MEMBER products or other commercial activities may be reasonably inferred from such use, and (3) such use does not represent that a partnership, joint venture or other legal entity has been formed between and among the parties to this Agreement.
13. The relationship between MEMBER and UNIVERSITY shall be that of independent contractor. As an independent contractor, MEMBER assumes all risk and liability for injury to persons or damage to property caused by acts of its employees during the period of the Agreement while they are using facilities or equipment owned and/or controlled by UNIVERSITY. This Agreement shall not constitute either UNIVERSITY or ERC as agents or legal representatives of MEMBER. UNIVERSITY assumes all risk and liability for injury to persons or damage to property occurring during the period of the Agreement and caused by the acts of its employees while performing work at MEMBER's facility under the terms of this Agreement. The obligations of UNIVERSITY hereunder shall not apply to liability arising from use of information furnished pursuant to this Agreement.
14. All noted confidential information submitted to UNIVERSITY by MEMBER will remain as such unless written permission granting public dissemination is received and vice versa.
15. The provisions contained herein constitute the entire Agreement and supersede all previous communications or representations, either verbal or written, between the parties hereto with respect to the subject material hereof. This Agreement may not be changed, altered, or supplemented except by written amendment hereto, signed by all parties. It is further agreed that nothing contained in the Agreement shall modify, amend, or supersede any prior or subsequent arrangement between MEMBER and UNIVERSITY with respect to activities outside the scope of this Agreement.

IN WITNESS WHEREOF, this Agreement is effective as of the last date of signing set forth herein below, which day and month in subsequent years in which MEMBER adheres to the terms of this Agreement shall be called the anniversary date of this Agreement.



UNIVERSITY

MEMBER

Authorized signature

Authorized signature

Title

Title

Date

Date

Initial to indicate appropriate partnership category:

MEMBER \$XX; \$XX; \$XX

[1] While this sample agreement is intended to an example of the structural framework of an agreement, the actual language in the agreement should be developed in conjunction with the university's legal counsel.

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