University of Alabama at Birmingham

Allocation of Rights Agreement

This Agreement (“this Agreement”) is made by and between The Board of Trustees of the University of Alabama for the University of Alabama at Birmingham, an academic research institution having a principal place of business at 1720 2nd Avenue S, Birmingham, Alabama, 35294-0111, (“UAB”) and the party identified below (“SBC”). This Agreement is effective as of the date of the last signature of the parties appearing on the signature page of this Agreement (the “Effective Date”). For purposes of this Agreement, each of SBC and UAB is a “Party” and collectively, the “Parties”.

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| --- | --- | --- |
| Full Legal Name of SBC | State of Incorporation | Principal Place of Business |
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**Recitals**

The SBC has submitted/will submit the proposal identified below to a federal funding agency (the “Funding Agency”) (the “Proposal”).

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| --- | --- | --- |
| Title of Proposal | Name of Funding Agency | Actual/Proposed Submission Date |
|  |  |  |

The Proposal relates to a SBIR or STTR project proposed to be performed by SBC and UAB (the “Project”). This Agreement is being entered into for the purpose of allocating between the Parties certain rights that may arise from the Project.

**1. Applicability of This Agreement.**

(a) This Agreement shall apply only to matters relating to the Project.

(b) If a funding agreement for the Project is awarded to SBC, SBC will promptly provide a copy of the funding agreement to UAB, and SBC will grant a sub-award to UAB in accordance with the funding agreement, the Proposal, and this Agreement. If the terms of the funding agreement are inconsistent with the provisions of this Agreement, the Parties will attempt in good faith to resolve any such inconsistencies. However, if the Parties cannot resolve the inconsistencies within a reasonable period, but in any event, no later than sixty 60) days after SBC notifies UAB that a funding agreement has been awarded, neither Party shall be obligated to issue/accept the sub-award. If a subaward is made by SBC and accepted by UAB, this Agreement shall take precedence with respect to intellectual property-related matters, and the subaward shall take precedence with respect to all other matters.

(c) The provisions of this Agreement shall apply to any and all consultants, subcontractors, independent contractors, or other individuals employed by SBC or UAB for the purposes of the Project.

**2. Ownership and Use of Data.**

Each of SBC and UAB shall retain exclusive ownership of all data generated by it during the performance of the Project (“Project Data”). Notwithstanding the above, each of SBC and UAB may use the Project Data of the other on a non-exclusive basis and without further compensation solely in connection with the performance of its obligations in the Project, including inclusion in project reports to the Funding Agency and additional proposals for continued funding of the Project through additional phases. In addition, the Parties may use Project Data in any patent application required to be filed on Project Intellectual Property.

**3. Intellectual Property.**

(a) For purposes of this Agreement, “Project Intellectual Property” means the legal rights relating to inventions (including Subject Inventions, as defined in 37 CFR 401), patent applications, patents, copyrights, trademarks, mask works, trade secrets, and any other legally protectable information, including computer software, first made or generated during the performance of the Project. For the purposes of this Agreement, “Pre-Existing Intellectual Property” means all inventions, discoveries, and works of authorship and all rights existing therein that exist under patent law, copyright law, trade secret law, trademark law and unfair competition law in any jurisdiction owned by a Party and existing prior to the Effective Date of this Agreement.

(b) Ownership of Project Intellectual Property. Subject to any rights granted to the United States Government, Project Intellectual Property shall be owned by the Party whose employees make or generate the Project Intellectual Property. Jointly made or generated Project Intellectual Property shall be jointly owned by the Parties.

(c) Subject Inventions. The patent rights clause set forth in [37 CFR 401.14](https://www.ecfr.gov/current/title-37/chapter-IV/part-401) (the “Patent Rights Clause”) is hereby incorporated into this Agreement.

(d) Disclosure of Project Intellectual Property. The Parties agree to disclose to each other, in writing, each and every Project Intellectual Property, including all Subject Inventions, within two (2) months after their respective inventor(s) first disclose the Project Intellectual Property in writing to the person(s) responsible for patent matters of the disclosing Party and, in any event, prior to any public disclosure of such Project Intellectual Property. All written disclosures of such Project Intellectual Property shall contain sufficient detail of the intellectual property, shall identify any statutory bars, and shall be marked confidential. The Parties acknowledge that disclosures of any Subject Inventions made during the Project are required to be made to the Funding Agency, and the Parties agree that all such disclosures shall be made timely and within the time provided in paragraph (c)(1) of the Patent Rights Clause.

(e) Pre-Existing Intellectual Property. Ownership of any Pre-Existing Intellectual Property is not affected by this Agreement. Neither Party shall have any claims to or rights in any Pre-Existing Intellectual Property owned by the other Party. It is possible, however, that both Parties may possess rights in Pre-Existing Intellectual Property which would be useful or essential to the practice or commercialization of Project Intellectual Property. For example, UAB might own Pre-Existing Intellectual Property that would be infringed by the SBC when it attempted to commercialize Project Intellectual Property, unless a license was obtained from UAB. UAB will make a good faith effort to identify any such Pre-Existing Intellectual Property owned by UAB through discussion with the UAB principal investigator for the Project. Upon identifying such Pre-Existing Intellectual Property, if any, the Parties shall, to the extent such rights are available for licensing, discuss licensing of UAB’s rights in such Pre-Existing Intellectual Property.

(f) Limited License to Use Project Intellectual Property. Each Party hereby grants to the other Party a limited, non-exclusive, fully paid up right and license to use its Project Intellectual Property in connection with research or development activities performed in connection with the Project for the duration of the Project, including inclusion in project reports to the Funding Agency and proposals to the applicable funding agency for continued funding of the Project through additional phases.

**4. Option to SBC to Commercialize Project Intellectual Property.**

UAB hereby grants to SBC, without option fee other than the reimbursement of all patent expenses related to the Project Intellectual Property incurred by UAB prior to and during the option period, an option to acquire an exclusive, worldwide, royalty-bearing license under UAB’s rights to any such Project Intellectual Property, which option shall extend for three (3) months from SBC’s receipt of the Project Intellectual Property disclosure from UAB. Upon SBC’s election to exercise its option, which must be made in writing to UAB, the Parties shall promptly proceed to negotiate a license agreement in good faith. If, within three (3) months from SBC’s election to exercise its option, or such additional period of time to which the Parties may mutually agree, UAB and SBC do not execute a mutually agreeable license for UAB’s rights in such Project Intellectual Property, UAB may thereafter enter into any license under UAB’s rights in such Project Intellectual Property with any third party.

**5. Follow-on Research or Development.**

All follow-on work, including any licenses, contracts, subcontracts, sublicenses or arrangements of any type, shall contain appropriate provisions to implement the Project Intellectual Property rights provisions of this Agreement and ensure that the Parties and the United States Government obtain and retain such rights granted herein in all future resulting research, development, or commercialization work.

**6. Confidentiality.**

1. Exchange of Proprietary Information. The Parties acknowledge that during the Term of this Agreement they are likely to share proprietary information (“Proprietary Information”). For the purposes of this Agreement, the Party that discloses Proprietary Information shall be referred to as the “Disclosing Party,” and the Party receiving the Proprietary Information, the “Receiving Party.”
2. Nature of Proprietary Information*.* The Parties agree that all information that is provided by one Party to the other Party shall be deemed to be Proprietary Information.
3. Restrictions. With respect to all Proprietary Information disclosed to it, the Receiving Party (i) shall keep it confidential (other than as permitted by this Agreement), (ii) shall store and maintain it with the same diligence and care as its own proprietary information, but no less than reasonable diligence and care, (iii) may only use it for the purpose for which it was disclosed by the Disclosing Party, (iv) may not disclose it (other than as permitted by this Agreement), (v) may not deconstruct, modify or copy it (other than as permitted by this Agreement), and (vi) may not transfer or assign it to any third party (other than as permitted by this Agreement).
4. Access to the Proprietary Information*.* The Proprietary Information may be used by, and disclosed to, the Receiving Party’s directors, officers, employees and agents (its “Representatives”). Each Party will promptly notify the other Party of any unauthorized use of or access to the Proprietary Information of which it becomes aware.

1. Exceptions to Confidentiality Obligation*.* The restrictions of confidentiality described above shall not apply to Proprietary Information (i) which as of the Effective Date or subsequent thereto is or becomes available to the public without breach of this Agreement, (ii) if it is lawfully obtained from a third party not bound by similar confidentiality and use restrictions and obligations, (iii) if it is known by the Receiving Party prior to disclosure as evidenced by contemporaneous records, or (iv) if it is at any time developed by the Receiving Party independently of any disclosure made pursuant to this Agreement. In addition, the confidentiality obligations shall not apply to the Receiving Party if the Receiving Party is legally required by applicable law, court order or government agency to disclose the Proprietary Information, provided the Receiving Party discloses only the minimum to comply and, if possible and in light of the circumstances, provides reasonable prior notice to the Disclosing Party to enable it to contest the requirement or to seek a protective order.
2. Termination or Expiration of this Agreement. Upon the expiration of the Term, each Receiving Party shall, at the Disclosing Party’s option and upon written notice thereof to the Receiving Party, return all Proprietary Information, copies and other tangible expressions thereof, to the Disclosing Party or provide the Disclosing Party with written notice that the Proprietary Information in its possession, or in the possession of its Representatives, has been destroyed within thirty (30) days after receipt of the Disclosing Party’s written notice to the Receiving Party requiring the Receiving Party to destroy the Proprietary Information in its possession. The Receiving Party may retain one archival copy of the Proprietary Information for purposes of compliance with its obligations under this Agreement. Notwithstanding the foregoing, each Party shall be permitted to retain copies of Project Data and other Project Intellectual Property for purposes of exercising rights expressly granted under this Agreement.
3. Continuing Obligations after Termination/Expiration. The restrictions and obligations set forth in Section 6(c) above shall continue for five (5) years from the termination or expiration of this Agreement.

**7. Publication.**

Each of SBC and UAB may publish its Project Data and each shall appropriately acknowledge the other Party’s right, title and interest in any Project Intellectual Property in any publication or presentation disseminating Project Data arising from the Project. However, each of SBC and UAB shall provide the other Party a thirty (30) day period in which to review proposed publications, identify Proprietary Information and submit comments. The publishing Party shall not publish or otherwise disclose Proprietary Information identified by the Disclosing Party and shall give full consideration to all comments before publication. Furthermore, upon request of a Party, publication will be deferred for up to an additional sixty (60) days for preparation and filing of patent applications to cover any Project Intellectual Property.

**8. Insurance/Liability.**

(a) Insurance. Each of SBC and UAB shall maintain insurance coverage required by applicable law to cover its performance of the Project. With respect to UAB, SBC acknowledges that such coverage is maintained through self-funded insurance trusts. Upon a request by a Party, each of SBC and UAB shall supply a certificate detailing coverage limits.

(b) Liability. Neither Party shall be liable to the other Party or its affiliates for indirect, incidental, special or consequential damages (including, but not limited to, loss of production time, profits, revenue or business) resulting from or in any way related to the performance of the Project or arising from this Agreement. Neither Party shall be liable for any claims, losses, expenses or causes of action of any kind or nature (including, without limitation, attorneys’ fees and other costs and expenses of defense, reasonably incurred) (“Claims”) resulting from the acts and/or omissions of the other Party’s employees, officers, directors, agents and contractors. Each Party shall be responsible for any and all Claims resulting from the acts and/or omissions of its respective employees, officers, directors, agents and contractors.

(c) No Warranties. Other than any warranty expressly granted in this Agreement, each Party disclaims any and all other warranties, whether express or implied, including without limitation, warranties of merchantability, fitness for a particular purpose, and freedom from infringement, with respect to any Pre-Existing Intellectual Property, any Project Intellectual Property or any and all other Proprietary Information shared with the other Party, or used in or arising from the Project.

(d) Indemnification by SBC. SBC will indemnify and hold UAB harmless with regard to any Claims arising in connection with commercialization of any Project Intellectual Property by or under the authority of SBC.

**9. Dispute Resolution.**

The Parties shall seek to resolve all disputes amicably by negotiation, in good faith and as soon as practicable. The Parties may also use the services of a mediator, mutually agreed to by the Parties. Thereafter, the Parties may seek legally available remedies to resolve any dispute. SBC acknowledges that UAB is a sovereign entity and enjoys immunities and privileges granted to it by the 11th Amendment of the U.S. Constitution and Alabama law and that UAB is not waiving any of its immunities or privileges by signing this Agreement.

**10. Miscellaneous.**

(a) Term.This Agreement is effective as of the Effective Date and shall continue until the earlier to occur of the following:(i)the failure of the Funding Agency to fund the Project, (ii) in the event the Funding Agency funds the Project, the failure of SBC and UAB to execute a subaward in connection with the Project, and (iii) the completion of the Project.

(b) Relationship of the Parties*.* The Parties are independent contractors. Neither Party has the authority to bind or act on behalf of the other Party. The Parties do not intend to create an employer/employee relationship.

(c) Entire Agreement, Amendments, Assignment, etc. This Agreement (i) constitutes the entire understanding between the Parties and supersedes all prior agreements between the Parties regarding the same subject matter, (ii) benefits only the Parties and their permitted assigns, (iii) may only be amended in a writing signed by an authorized representative on behalf of each Party, (iv) may not be assigned (by operation of law or otherwise) or otherwise transferred by any Party, in whole or in part, without the prior written consent of the other Party, (v) shall continue in full force and effect for the Term exclusive of any provision deemed to violate applicable law, (vi) shall be interpreted in accordance with the laws of the State of Alabama, and (vii) may be executed in counterparts, all of which together shall constitute one agreement.

(d) Waiver. No waiver of a provision, breach or default shall apply to any other provision or subsequent breach or default or be deemed continuous.

(e) Notices. Any notice, request, or consent required to be given under this Agreement will be sufficiently given if in writing and delivered to a Party in person, by recognized overnight courier or mailed with each Party’s national postal service, postage prepaid to the address appearing on page 1 of this Agreement, or at such other address as each Party so designates in accordance with these criteria. Notice shall be deemed effective upon receipt if delivered in person or by overnight courier or five (5) business days after mailing with the U.S. Postal Service or foreign equivalent.

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**SBC:**

**By:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Date:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Title:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**UAB: The Board of Trustees of the University**

**of Alabama for the University of Alabama at Birmingham**

**By:** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**Date:**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Print Name: Gina Hedberg**

**Title:** Associate Vice President for Research; Executive Director of Sponsored Programs