

# NMT Intellectual Property Policy

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# **1.1 Intellectual Property**

*This policy was last updated August 2, 2023 and was modified and adapted from the Massachusetts Institute of Technology (MIT) IP policy. This policy was adopted by the New Mexico Institute of Mining & Technology Board of Regents on October 9, 2023.*

New Mexico Institute of Mining and Technology (New Mexico Tech or NMT) is a public institution of higher education focused on education, research, and innovation. Innovation on the NMT campus is achieved through applied research and transdisciplinary collaborations that will benefit the State of New Mexico and human society. New Mexico Tech may assign any or all intellectual property (IP) to the New Mexico Tech University Research Park Corporation (NMTURPC). Accordingly, reference to NMT in the following policy may be a reference to NMTURPC should NMT exercise its right to assign any or all of its intellectual property. The NMTURPC was formed as a non-profit corporation under the University Research Park and Economic Development Act (State of New Mexico Chapter 21, Article 28 NMSA 1978). The NMTURPC was created for the benefit of NMT to develop intellectual property with potential to financially benefit NMT and NMT inventors (students, faculty, and staff). This policy enables New Mexico Tech’s intellectual property to be widely available through traditional licensing, business startups, and industry partnerships—and sharing licensing proceeds with inventors, authors, or contributors who generate such intellectual property.

The federal Bayh-Dole Act of 1980 requires that universities receiving federal funding for research own patentable inventions conceived or reduced to practice (physically constructing an invention or carrying out the steps of a process for a patent) in the performance of such research. In addition, certain federal regulations require that the government receive rights to software and data created pursuant to federally funded research.

In addition to the federal government, other research sponsors (e.g., companies, foundations) typically require NMT to (a) report patentable inventions and copyrightable works that result from the use of such sponsor’s funds; (b) secure legal protection for such intellectual property or, alternatively, commit to open access principles of dissemination; and (c) make such intellectual property available for licensing, or ensure its availability through open access channels, all of which NMT is best positioned to do when NMT owns the intellectual property.

Finally, NMT owns the intellectual property that results from NMT resources and opportunities.

Decisions about the protection and dissemination of NMT Intellectual Property is handled by the NMT Office of Innovation Commercialization, a division of the Office of Research, with appropriate consultation with counsel, inventors, authors, or contributors.

NMT’s Executive Director, Office of Innovation Commercialization (OIC) recommends membership to the Committee on Intellectual Property (CoIP). The CoIP recommends Intellectual Property policies (the “Policy”). The OIC Executive Director and Vice President for Research are responsible for the implementation and administration of this Policy. This policy is ultimately approved by action of the NMT Board of Regents.

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### 1.1.1 Definitions

**Exempt Programs** means those programs identified by the Office of the Vice President for Research.

**Intellectual Property (“IP”)** means patentable inventions, copyrightable works (including software and mask works), Materials, trade secrets, trademarks and Supporting Information.

**IPIA** means an NMT Inventions and Proprietary Information Agreement.

**Materials** means items and information created, collected, developed, derived, or obtained in the course of NMT research (for example, audio-recordings; certain datasets; specifications; biological specimens; microchips; circuits; devices; and chemical samples).

**NMT Funds** means discretionary funds, gifts (including in-kind donations from third parties, such as equipment), grants, consortium or sponsored funding (including a sub-award) that are (a) given or granted to NMT; (b) pursuant to a contract; (c) administered by NMT; (d) granted by NMT for use by researchers in the conduct of research; or (e) state of New Mexico appropriated funds. For clarity, funding that is provided to NMT (whether via a gift, contract with NMT or otherwise), even if specifically designated for a particular researcher at NMT, constitutes NMT Funds.

**Required IPIA Signatories** means employees (including temporary employees), faculty, graduate students, postdoctoral associates, fellows, visitors, research affiliates, staff affiliates (where appropriate), contingent workers, and contractors and—in certain circumstances only—undergraduates.

**Supporting Information** means any and all records, lab notebooks, data, code, memoranda, notes, schedules, plans, or other documentation and information that describe or support IP.

**University Member** means the New Mexico Institute of Mining & Technology.

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### 1.1.2 Intellectual Property Owned by NMT

NMT owns IP generated by one or more of the following:

1. Using NMT Funds;
2. Using NMT facilities, excluding NMT space leased by outside entities;
3. In the performance of a Required IPIA Signatory’s NMT employment;
4. In the performance of an NMT collaboration, research or other sponsored agreement; and/or
5. For Required IPIA Signatories who are not employees, faculty, graduate students, postdoctoral associates or fellows, as a result of research or educational opportunities made available by or at NMT (collectively, an “NMT Opportunity”).

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### 1.1.3 Intellectual Property Not Owned by NMT

NMT does not own the following IP, unless otherwise stated below:

1. **Coursework** generated by NMT students.
2. Copyright in **student theses**.
  1. Note that patentable inventions, software, and Materials described in the student thesis are, subject to a separate exception set forth in this Section 1.1.2, owned by NMT.
3. IP generated from the use of **NMT maker spaces**.
  1. However, NMT owns IP generated from (a) using NMT maker spaces to build upon or improve existing NMT-owned IP or (b) using NMT maker spaces for projects that are not separate and distinct from the scope of research being performed using NMT Funds or through another NMT Opportunity.
4. IP generated from participation in **Exempt Programs** if participants receive advance approval from the Executive Director of the OIC.
5. Copyright in **creative literary works** such as textbooks, manuscripts, books, scholarly works, and publications, unless NMT has specifically commissioned a particular work to be written.
  1. Note that patentable inventions, software, and Materials described in the creative literary work are, unless subject to a separate exception set forth in this Section 1.1.3, owned by NMT.
  2. On a case-by-case basis, particularly when works are the result of collaborative projects, NMT may request a right from the authors to use such works for research, teaching, and educational purposes.
6. **Non-literary creative works** (for example, artwork, musical scores), unless NMT has specifically commissioned a particular work to be created.
  1. Ownership of images taken of NMT-owned items (for example, equipment, research outcomes) may be determined on a case-by-case basis.
  2. On a case-by-case basis, particularly when works are the result of collaborative projects, NMT may request a right from the authors to use such works for research, teaching, and educational purposes.
7. **Teaching materials** (for example, lecture notes, syllabi, non-third-party images created for a class, presentations).

*This list may not cover every circumstance.* Any questions concerning ownership of IP should be directed to the OIC at [oic@nmt.edu](mailto:oic@nmt.edu).

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### 1.1.4 IPIA and Assignment

Required IPIA Signatories must sign the IPIA (Appendix I, II). The IPIA is managed by the Office of Research. Notwithstanding the obligation for Required IPIA Signatories to sign the IPIA, Required IPIA Signatories acknowledge that they are bound by this Policy by using NMT Funds, accepting or continuing NMT employment, participating in performing an NMT collaboration, research, or other sponsored agreement, or by taking advantage of an NMT Opportunity, and each Required IPIA Signatory acknowledges that they hereby irrevocably assign all right, title, and interest in and to the IP described in Section 1.1.3 above (including but not limited to patent applications and patents which may issue from such

IP), effective as of their first date of the use of NMT Funds, NMT employment, participating in performing an NMT collaboration, research or other sponsored agreement, or taking advantage of any NMT Opportunity, whichever occurs first, regardless of whether they execute or executed an IPIA. IPIA Signatories further agree to cooperate with the Office of Research to execute any forms for the purpose of securing intellectual property rights in national offices upon request by NMT or defending said intellectual property in enforcement actions.

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### **1.1.5 Technology Disclosure Obligations**

Inventors, authors, and contributors are required to promptly disclose all IP owned, either in whole or in part by NMT, to the OIC. Details on submitting disclosures can be found at [Submit Your Disclosure](#).

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### **1.1.6 Licensing of Intellectual Property and Revenue Sharing**

The OIC is responsible for managing and licensing NMT-owned IP.

When revenue is received in exchange for licensing NMT-owned IP, the OIC distributes that revenue after all OIC operational and IP costs are reimbursed. Net revenue shall be distributed among (a) inventors, authors, and contributors of such IP (as applicable); (b) joint owners of the IP (as applicable); (c) relevant OIC departments, labs, and centers; and (d) the NMT General Fund to be used for educational and research purposes in an apportionment further described in the NMT IP Guidelines document. The apportionment may be adjusted on a case-by-case basis at the discretion of the President upon recommendation by OIC.

Each license agreement for Covered Intellectual Property shall include provisions consistent with and that reserve: (i) the rights of NMPRC to use the Covered Intellectual Property for research (including research for third parties under a Funding Agreement), development, and educational purposes, and the right to license such rights to universities, Federal laboratories, and nonprofit research organizations. If the Covered Intellectual Property includes Inventions that are subject inventions as defined under 35 U.S.C. §201(e), provisions reflecting the rights of the United States government with respect thereto, including: (A) that the United States Government has a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world (and in some cases the right to assign or have assigned foreign patent rights); (B) that the United States Government retains “march-in” rights, in accordance with 35 U.S.C. §203; and (C) that licensing of the subject inventions is subject to other restrictions, including that preferences be given to small business firms (35 U.S.C. §202(c)(7)(D) and for U.S. manufacturing (35 U.S.C. §204).

Each license agreement for Covered Intellectual Property shall include an indemnification provision providing, at a minimum, that each licensee is obligated to fully indemnify, hold harmless and defend NMTURPC, the University Member, and their respective regents, trustees, directors, officers, employees and agents against any and all claims, actions, demands, judgements, suits, losses, damages, costs, liabilities, fees and expenses (including reasonable fees of attorneys), regardless of the legal theory asserted, arising out of or connected with: (i) the practice or exercise of any right or license granted under the license agreement by the licensee, its affiliates or sublicensees; (ii) any act, error, or omission of the

licensee, its affiliates or sublicensees or any of their respective directors, officers, employees, or agents, including the negligence or willful misconduct thereof; or (iii) research, development, design, manufacture, distribution, use, sale, importation, exportation or other disposition of any licensed products or services.

Each License Agreement for Covered Intellectual Property will include a prohibition against the use of the names of NMTURPC or the University without their prior written consent.

Attached as Appendices III and VI are the NMTURPC standard form Option Agreement and Exclusive Patent License Agreement which are to be used by NMTURPC for options and exclusive licenses of solely owned Covered Inventions and as a template for all other types of NMTURPC licensing transactions.

### 1.1.7 Return of NMT-Owned Intellectual Property to an Inventor or Author

Inventors and authors of NMT-owned IP may request that NMT assign its ownership interest in such IP back to such inventors or authors (“Returned IP”). Any such request should be made to the OIC. NMT may grant the request if such assignment (a) is legally permissible; (b) is consistent with NMT’s obligations to third parties; (c) does not present a conflict of interest; and (d) would enhance the possibility of the IP benefiting the public.

In every case of Returned IP, (i) NMT reserves for itself and all other non-profit research institutions a royalty-free, non-exclusive, irrevocable right to use the Returned IP for research, teaching, and educational purposes and (ii) if the Returned IP was generated with federal funding, the assignment will be subject to the applicable government rights to use such Returned IP and compliance with all other applicable laws and regulations.

Any costs related to the protection of any such Returned IP (for example, the cost of patent maintenance or prosecution) shall be the responsibility of the inventors or authors, unless otherwise agreed with the OIC.

If the Returned IP is a patentable invention and was generated with federal funding, the inventors shall comply with all laws regarding the patentable invention and any additional requirements imposed by the federal government. If the Returned IP was funded by another organization, the inventors shall comply with applicable terms and conditions, if any.

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### 1.1.8 Intellectual Property and Conflict of Interest Policies

To the extent Required IPIA Signatories have consulting privileges or engage in any outside professional activities (including externships and internships), the Required IPIA Signatory must ensure that any terms of their consulting or other agreements with third parties that relate to IP do not conflict with a Required IPIA

Signatory's commitments to NMT under this Policy and consistent with New Mexico Law. Each Required IPIA Signatory should make the nature of their IP obligations to NMT clear to any third party with which they are engaged. See NMT Conflict of Interest Policy. Questions concerning the Required IPIA Signatory's IP obligations to NMT may be directed to the OIC at [oiic@nmt.edu](mailto:oiic@nmt.edu). NMT will not negotiate any consulting agreements on behalf of any Required IPIA Signatory.

The scope of the consulting services must be separate and distinct from the scope of the Required IPIA Signatory's NMT research commitments.

Required IPIA Signatories should not advise third parties with which they have consulting arrangements on strategy concerning patentable inventions where such strategy is potentially adverse to NMT unless authorized in writing by NMT.

Employees who assist on matters involving private entities interested in sponsoring research at NMT or optioning or licensing NMT-owned IP may not have any financial or personal interest in such a private entity.

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### **1.1.9 Policy Interpretation and Administration**

Matters arising from the interpretation or administration of this Policy will be resolved by the CoIP, which may seek advice from general counsel. The CoIP will make recommendations concerning the application of this Policy to the NMT President. Specifically, disputes concerning accurate inventor, author, and contributor identification of NMT owned IP that remain unresolved by the OIC will be elevated to the Office of Research in consultation with general counsel.

## **1.2 Reproduction of Copyrighted Material**

United States copyright law (Title 17 US Code) affects the use and reproduction of copyrighted material by all members of the NMT community. Copyright law gives a copyright owner exclusive rights with respect to that owner's work; however, certain "fair use" limitations on those exclusive rights are provided in the law. Among these limitations are specific provisions that address the use of copyrighted material by libraries and by faculty in the course of their teaching responsibilities.

Copyright law applies to authored works regardless of medium and thus applies to digital and digitized works as well as more traditional media. Copyright laws, and the guidelines that have been developed to assist in their interpretation, generally restrict copying in terms of the number of copies that can be made and the length of the text that can be copied. The application of the concept of fair use, which does provide limited exemptions for certain educational and non-profit research uses, is critically dependent on the particular facts of the individual situation. For example, reproduction that results in the creation of substitutes for anthologies, collections, or compilations is severely restricted.

Other provisions of the copyright law cover the reproduction of sheet music for classroom use, the performance or display of copyrighted works in classrooms, public performances of music for which admission is charged, the use and reproduction of videotapes, sound recordings, and computer software. There is also an extensive set of provisions and guidelines that affect library copying, including reproduction for reserve use, interlibrary lending and borrowing, and preservation of library materials.

Federal copyright law has undergone significant revision during the past decade and continues to be the subject of legislative, administrative, and judicial activity.



## APPENDIX I

### New Mexico Institute of Mining & Technology Inventions and Proprietary Information Agreement (IPIA)

\*Legal Name (please print or type): FIRST: MIDDLE: LAST:

\*NMT 900 No:

\*Email Address at NMT:

\*Department/Laboratory:

\*All items above are required and must be completed in full.

All capitalized and undefined terms used below have the meaning set forth in the NMT'S IP Policy. I have read, and understand, the IP Policy and IP Guidelines. I have been advised to seek legal counsel, if needed, to understand the terms of this Agreement, the IP Policy, and the IP Guidelines. I agree to be bound by the terms of the IP Policy and I understand that this agreement (the "Agreement") confirms the applicability of the IP Policy to me.

In exchange for the consideration described in the IP Policy and IP Guidelines, and as confirmation of the commitment I made pursuant to the IP Policy:

- A. Unless such Intellectual Property falls within an exception set forth in the IP Policy, I will disclose promptly to and assign to, and I hereby assign to, NMT all rights to all Intellectual Property conceived, invented, reduced to practice, authored or created by me, either solely or jointly with others, which were generated by one or more of the following:
  - I. using NMT Funds;
  - II. using NMT facilities;
  - III. in the performance of my NMT employment;
  - IV. in the performance of a NMT collaboration, research or other sponsored agreement; and/or
  - V. taking advantage of an NMT Opportunity.

I further acknowledge that the obligations set forth in this Agreement will continue after I cease the activities set forth above.

- B. I will execute all necessary papers and otherwise provide assistance, promptly upon NMT's request and at NMT's expense, during and subsequent to the period of my NMT employment, research, visit, or affiliation, and/or subsequent to any use of NMT Funds or NMT Opportunity made available to me, to enable NMT or NMTURPC to obtain, maintain, defend, or enforce for

itself or its agents, assignees, or licensees, all patent, copyright or other legal protection for such Intellectual Property.

- C. I will prepare and maintain for NMT adequate, thorough and current Supporting Information related or relevant to Intellectual Property described in Section A of this Agreement and provide copies of the same to NMT upon request.
- D. When I (a) cease use of NMT Funds; (b) cease my NMT employment; (c) cease performance of a particular collaboration; research, or other sponsored agreement; or (d) cease taking advantage of any particular NMT Opportunity, and at any other time as NMT may request, I will deliver promptly to NMT, or destroy at NMT's request, all Materials and all Supporting Information generated pursuant to part(s) I-V of Section A of this Agreement. For the avoidance of doubt, I will not retain any confidential or proprietary information (e.g., Materials and Supporting Information) of NMT beyond my affiliation with NMT and agree to attest that no confidential or proprietary information of NMT is in my possession if such a representation is sought by NMT after the conclusion of my affiliation with NMT.
- E. I will treat all Intellectual Property included in Section A, and all NMT research proposals, as confidential and proprietary information of NMT and will not disclose it to third parties, or use it for any non-NMT purposes, except pursuant to terms contained in an agreement then in effect with NMT, unless and until (i) I receive written approval from NMT or (ii) such Intellectual Property and NMT research proposals are published or become publicly available as a result of actions permissibly taken by NMT. I acknowledge that unauthorized disclosure of confidential and proprietary information of NMT can cause irreparable harm to NMT.
- F. I will not disclose to NMT or use in my research, teaching or educational activities at NMT, or in the performance of my NMT employment, (unless otherwise agreed in writing with NMT):
  - I. any confidential or proprietary information of any third party (for example, a third party for whom I consult or a prior employer), such information to include, with limitation, any trade secrets or confidential information with respect to the business, work, or investigations of such prior employer or other third party; or
  - II. any intellectual property of my own (i.e., intellectual property that is **not** included in Section A). However, if a patent application has been filed or a patent issued on an invention(s) conceived prior to my commitment pursuant to the IPIA and Assignment section in the IP Policy, I understand and acknowledge that such invention(s), is still subject to this Agreement if first actually reduced to practice under the circumstances described in Section A of this Agreement.
- G. I attest that entering into this Agreement does not conflict with any existing contractual obligations and confirm that I will not enter into any agreements that conflict with the obligations set forth in this Agreement or terms of the IP Policy.
- H. I confirm the terms set forth in the IP Guidelines are satisfactory and consent that disputes

regarding the IP Guidelines will be decided by the Office of Research.

- I. I will inform NMT promptly (i.e., within thirty (30) days) of any patent application or copyright application filed where I am listed as inventor or author that I assert is not owed by NMT and provide a copy of said application.

This Agreement replaces all previous agreements, whether oral or written, relating in whole or in part to the same or similar matters that I may have entered into with NMT. This Agreement may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of NMT.

Discharge of my undertakings in this Agreement will be an obligation of my executors, administrators, or other legal representatives or assignees.

This Agreement and all disputes arising out of or related to this Agreement, shall be construed, governed, interpreted and applied in accordance with the laws of the State of New Mexico, U.S.A., without regard to conflict of laws principles. The state and federal courts having jurisdiction over Socorro, NM, U.S.A., provide the exclusive forum for any court action relating to this Agreement.

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**Your Signature (required, include full first name)**

**Date (required)**

APPENDIX II

**New Mexico Institute of Mining & Technology**  
**Inventions and Proprietary Information Agreement (IPIA) for Visitors and Research**  
**Affiliate Appointments**

\*Legal Name (please print or type): FIRST: MIDDLE: LAST:

\*NMT 900 No (if applicable):

\*Email Address NMT (if applicable):

\*Email Address at Employer/Home Institution:

\*Host Department/Laboratory at NMT in which you will be performing research:

\*NMT Principal Investigator/Faculty Host:

\_\_\_ Non-Profit Research or Academic Institution (Section B also applied)

\_\_\_ For-Profit Organization (if visitor's appointment is in connection with a sponsored research agreement between your Employer and NMT, Section C also applies)

*Please list applicable sponsored research agreement (s) between your Employer and NMT:*

**Title of the agreement: \_\_\_\_\_ and date of the agreement, or NMT SPA #:**

\_\_\_ I do not have an Employer/Home Institution (i.e., I am self employed)

**\*All items above are required. This form must be completed in full before you participate in research activities at NMT.**

All capitalized and undefined terms used below have the meaning set forth in the NMT'S IP Policy.

I have read, and understand, the IP Policy and IP Guidelines. I have been advised to seek legal counsel, if needed, to understand the terms of this Agreement, the IP Policy, and the IP Guidelines. I agree to be bound by the terms of the IP Policy and I understand that this agreement (the "Agreement") confirms the applicability of the IP Policy to me.

In exchange for the consideration described in the IP Policy and IP Guidelines, and as confirmation of the commitment I made pursuant to the IP Policy:

- G. Unless such Intellectual Property falls within an exception set forth in the IP Policy, I will disclose promptly to and assign to, and I hereby assign to, NMT all rights to all Intellectual Property conceived, invented, reduced to practice, authored or created by me, either solely or jointly with others, which were generated by one or more of the following:
- VI. using NMT Funds;
  - VII. in the performance of my NMT employment;
  - VIII. in the performance of a NMT collaboration, research or other sponsored agreement; and/or
  - IX. taking advantage of an NMT Opportunity.

I further acknowledge that the obligations set forth in this Agreement will continue after I cease the activities set forth above.

#### **H. For Visitors and Research Affiliates from Non-Profit Research or Academic Institutions**

My Employer/Home Institution is a Non-Profit Research or Academic Institution and I agree to the following:

- I. if my salary, wages, or stipend has been paid solely by my Employer/Home Institution, then I will disclose promptly to and assign to, and I hereby assign jointly to, my Employer/Home Institution and NMT all rights to all Intellectual Property included in Section A of this Agreement; and
- II. my Employer/Home Institution acknowledges and agrees that my present assignment contains in Section B (I) supersedes any prior assignment, or obligation to assign, that I have made to my Employer/Home Institution, solely with respect to the Intellectual Property included in Section A of this Agreement;
- III. NMT and my Employer/Home Institution will enter into a mutually acceptable joint invention agreement to administer their respective rights and obligations with regard to any jointly owned Intellectual Property covered by Section B(I), which will include terms permitting NMT to take the lead with respect to patent management and licensing of such Intellectual Property unless otherwise agreed to by NMT and my Employer/Home Institution; and
- IV. in the event that Intellectual Property covered by paragraph B(I) is also subject to an agreement (e.g., a sponsorship agreement) between NMT and a third party, my Employer/Home Institution will work cooperatively with NMT to allow NMT to meet any third party obligations;
- V. I am free to enter into this Agreement and have complied with any obligations of my Employer/Home Institution, including, but not limited to, providing a copy of this Agreement to my Employer/Home Institution prior to execution, if required.

#### **I. For Visitors and Research Affiliates from For-Profit Organizations**

My Employer is a For-Profit Organization and I agree to the following:

- I. I will disclose promptly to and assign to, and I hereby assign jointly to, my Employer and NMT all rights to all Intellectual Property included in Section A of this Agreement that is developed jointly with funds and/or resources from my Employer or subject to a sponsored research agreement, joint development agreement, or similar agreement providing for joint IP ownership;
- II. NMT and my Employer will enter into a mutually acceptable joint invention agreement to administer their respective rights and obligations with regard to any jointly owned Intellectual Property covered by Section C(I), which will include terms permitting NMT to take the lead with respect to patent management and licensing of such Intellectual Property unless otherwise agreed to by NMT and my Employer; and
- III. I will disclose promptly to and assign to, and I hereby assign to NMT all rights to all Intellectual Property included in Section A of this Agreement that is not developed jointly with funds or resources my Employer or subject to a sponsored research agreement, joint development agreement, or similar agreement providing for joint IP ownership;
- IV. my Employer acknowledges and agrees that my present assignment contained in Section C(I) or C(III) supersedes any prior assignment, or obligation to assign, that I have made to my Employer, solely with respect to the Intellectual Property included in Section A;
- V. I am free to enter into this Agreement and have complied with any obligations of my Employer, including, but not limited to, providing a copy of this Agreement to my Employer prior to execution, if required.

#### **J. For Self-Employed Individuals**

I am self-employed and I attest that entering into this Agreement does not conflict with any existing contractual obligations and confirm that I will not enter into any agreements that conflict with the obligations set forth in this Agreement

- K. I will execute all necessary papers and otherwise provide assistance, promptly upon NMT's request and at NMT's expense, during and subsequent to the period of my NMT employment, research, visit or affiliation, and/or subsequent to any use of NMT Funds or NMT Opportunity made available to me, to enable NMT or NMTURPC to obtain, maintain, defend or enforce for itself or its agents, assignees, or licensees, all patent, copyright or other legal protection for such Intellectual Property.
- L. I will prepare and maintain for NMT adequate, thorough and current Supporting Information related or relevant to Intellectual Property described in Section A of this Agreement and provide copies of the same to NMT upon request.
- M. When I (a) cease use of NMT Funds, (b) cease my NMT employment, (c) cease performance of a particular collaboration, research or other sponsored agreement or (d) cease taking advantage of any particular NMT Opportunity, and at any other time as NMT may request, I will deliver promptly to NMT, or destroy at NMT's request, all Materials and all Supporting Information

generated pursuant to part(s) I-IV of Section A of this Agreement. For the avoidance of doubt, I will not retain any confidential or proprietary information (e.g., Materials and Supporting Information) of NMT beyond my affiliation with NMT and agree to attest that no confidential or proprietary information of NMT is in my possession if such a representation is sought by NMT after the conclusion of my affiliation with NMT.

- N. I will treat all Intellectual Property included in Section A, and all NMT research proposals, as confidential and proprietary information of NMT and will not disclose it to third parties, or use it for any non-MIT purposes, except pursuant to terms contained in an agreement then in effect with MIT, unless and until (i) I receive written approval from NMT or (ii) such Intellectual Property and NMT research proposals are published or become publicly available as a result of actions permissibly taken by NMT. I acknowledge that unauthorized disclosure of confidential and proprietary information of NMT can cause irreparable harm to NMT.
- O. I will not disclose to NMT or use in my research, teaching or educational activities at NMT, or in the performance of my NMT employment, (unless otherwise agreed in writing with NMT):
- III. any confidential or proprietary information of any third party (for example, a third party for whom I consult or a prior employer), such information to include, with limitation, any trade secrets or confidential information with respect to the business, work or investigations of such prior employer or other third party; or
  - IV. any intellectual property of my own (i.e., intellectual property that is **not** included in Section A). However, if a patent application has been filed or a patent issued on an invention(s) conceived prior to my commitment pursuant to the IPIA and Assignment section in the IP Policy, I understand and acknowledge that such invention(s), is still subject to this Agreement if first actually reduced to practice under the circumstances described in Section A.
- J. I confirm the terms set forth in the IP Guidelines are satisfactory and consent that disputes regarding the IP Guidelines will be decided by the Office of Research.
- This Agreement replaces all previous agreement, whether oral or written, relating in whole or in part to the same or similar matters that I may have entered into with NMT. This Agreement may not be modified or terminated, in whole or in part, except in writing signed by an authorized representative of NMT.

Discharge of my undertakings in this Agreement will be an obligation of my executors, administrators, or other legal representatives or assignees.

This Agreement and all disputes arising out of or related to this Agreement, shall be construed, governed, interpreted and applied in accordance with the laws of the State of New Mexico, U.S.A., without regard to conflict of laws principles. The state and federal courts having jurisdiction over Socorro, NM, U.S.A., provide the exclusive forum for any court action relating to this Agreement.

Your Signature (required, include full first name)

Date (required)

### **APPENDIX III**

#### **EXCLUSIVE OPTION AGREEMENT between NMTURPC and [ OPTIONEE NAME]**

EXCLUSIVE OPTION AGREEMENT (“Option Agreement”) effective MONTH, DAY, 20\_, (the “Option Effective Date”) by and between **THE NEW MEXICO TECH UNIVERSITY RESERACH PARK CORPORATION**, a New Mexico nonprofit research park corporation having its principal place of business at 801 Leroy Place, Socorro, New Mexico 87801 (“NMTURPC”) and [ENTITY OPTIONEE NAME, a LEGAL JURISDICTION, TYPE OF ENTITY][INDIVIDUAL OPTIONEE NAME], with an address at [ADDRESS, CITY, STATE AND ZIP CODE] (“OPTIONEE”).

#### **BACKGROUND**

NMTURPC holds title to and has certain rights and interests in the Patents. NMTURPC desires to have products and services utilizing the Patents developed and marketed at the earliest possible time in order that such products and services may be available for public use and benefit. OPTIONEE desires to obtain an option to acquire a license to the Patents for commercial purposes and NMTURPC desires to grant OPTIONEE an option to acquire a license to the Patents in accordance with the terms and conditions of this Option Agreement.

#### **ARTICLE I. DEFINITIONS**

Capitalized terms in this Option Agreement shall mean as follows:

“Exclusive License” means that during the term of the license, NMTURPC shall not grant a license to the Patents to any third party in the Licensed Territory within the Field of Use. The exclusivity of any license shall be subject to any rights of the United States government as described in Article III and to the rights retained by NMTURPC to utilize the Patents for research, development, and educational purposes.

“Exclusive Option” means that during the term of this Option Agreement, NMTURPC shall not grant a license or an option to acquire a license to the Patents to any third party.

“Field of Use” means all fields of use.

“License Negotiation Period” shall have the meaning ascribed to it in Section 2.3, below.



“Licensed Products” shall mean any process, service, or product, the manufacture, use, sale, or import of which is covered by a Valid Claim.

“Licensed Territory” means worldwide.

“Option” means the option granted to OPTIONEE by NMTURPC under Section 2.1, below.

“Option Effective Date” means the date this Option Agreement is effective as set out in the initial paragraph of this Option Agreement.

“Option Expiration Date” shall have the meaning ascribed to it in Section 2.4, below.

“Patents” means the patents and patent applications described on attached Schedule A, any U.S. and foreign patents that issue pursuant to any such patent applications, and any divisions, continuations (not including continuations-in-part), or reissues thereof.

“Term” means the period of time beginning on the Option Effective Date and ending upon the earlier of: (a) the termination of this Option Agreement by OPTIONEE under Section 2.5, below; (b) the termination of this Option Agreement by NMTURPC under Section 2.6, below; or, (c) the Option Expiration Date.

“Valid Claim” means a claim of an issued and unexpired Patent, or a claim of a patent application, included within the Patents, which claim shall not have been irrevocably abandoned or held invalid, unpatentable, or unenforceable in an unappealable decision of a court or other authority of competent jurisdiction, and which shall not have been admitted to be invalid or unenforceable through reissue, re-examination, disclaimer, or otherwise.

## **ARTICLE II. GRANT**

NMTURPC hereby grants to OPTIONEE and OPTIONEE hereby accepts the Exclusive Option (the “Option”) to acquire an Exclusive License in the Field of Use to make, use, sell and import Licensed Products in the Licensed Territory.

- 2.1 OPTIONEE agrees to exercise due diligence in reviewing the validity and enforceability of the Patents, whether the Patents may be exploited without infringing the rights of a third party, and in conducting research on potential commercial applications for the Patents. NMTURPC makes no representations or warranties whatsoever with regard to the Patents.
- 2.2 OPTIONEE may exercise the Option by providing written notice of exercise to NMTURPC at any time during the Term. Upon the exercise of the Option by OPTIONEE, NMTURPC and OPTIONEE agree to negotiate in good faith the terms and conditions of an Exclusive License to be executed on or before the date that is ninety (90) days from the date of the exercise of the Option by the OPTIONEE (the “License Negotiation Period”). If the parties fail to execute an Exclusive License on or before the end of the License Negotiation Period, NMTURPC will have no further duty or obligation to negotiate or grant a license to OPTIONEE and OPTIONEE shall have no further rights or powers under this Option Agreement.

2.3 This Option Agreement shall expire at midnight on the date that is six (6) months from the Effective Date (the “Option Expiration Date”).

- 2.4 OPTIONEE agrees to provide written notice to NMTURPC promptly at any time during the Term if OPTIONEE has determined, based upon results of its independent research or other factors, not to exercise the Option. Upon receipt of such notice by NMTURPC, this Option Agreement shall terminate.
- 2.5 NMTURPC may terminate this Option Agreement by written notice to OPTIONEE upon the failure of OPTIONEE to make any payment when due to NMTURPC under this Option Agreement.
- 2.6 Upon the expiration or termination of this Option Agreement, the right and power of OPTIONEE to exercise the Option and to acquire an Exclusive License shall terminate, and OPTIONEE shall have no residual or other rights in or to the Patents. OPTIONEE payment obligations under Article IV, below, shall survive the expiration or termination of this Option Agreement.

### **ARTICLE III. GOVERNMENT RIGHTS**

The Patents or portions thereof may have been developed with financial or other assistance through grants or contracts funded by the United States government. OPTIONEE acknowledges that in accordance with Public Law 96-517 and other statutes, regulations, and Executive Orders as now exist or may be amended or enacted, the United States government has certain rights in the Patents. OPTIONEE shall take all action necessary to enable NMTURPC to satisfy its obligations under any federal law relating to the Patents.

### **ARTICLE IV. CONSIDERATION**

- 4.1 Option Fee. In consideration for the grant of the Option, OPTIONEE shall pay to NMTURPC a nonrefundable option fee of two thousand five hundred dollars (\$2,500.00) upon the signing of this Option Agreement (the “Option Fee”). The Option Fee shall not be creditable against any amounts payable to NMTURPC under the Exclusive License if the OPTIONEE exercises the Option.
- 4.2 Reimbursement for Patent Legal Expenses and Costs. In addition to the Option Fee, OPTIONEE shall reimburse and pay to NMTURPC the amount of all out-of-pocket legal and other fees, costs, and expenses incurred by NMTURPC during the Term and, if the Option is exercised, during the License Negotiation Period, in the filing, prosecuting, and maintenance of the Patents. OPTIONEE shall pay such amounts to NMTURPC within thirty (30) days after NMTURPC notifies OPTIONEE from time-to- time of the amount of such fees, costs, and expenses.

## **ARTICLE V. NOTICES AND PAYMENTS**

Notices under this Option Agreement shall be in writing and addressed as follows:

To NMTURPC:           NMTURPC  
                              801 Leroy Place  
                              Socorro, NM 87801 USA  
                              Attention: Dorothy Duran  
                              Email: [RPCinvoice@nmt.edu](mailto:RPCinvoice@nmt.edu)

To OPTIONEE:           OPTIONEE  
                              Address  
                              City, State Zip Code  
                              Attention: [NAME]  
                              Email: \_\_\_\_\_

All payments due to NMTURPC under this Option Agreement shall be made to NMTURPC at the above physical address or electronically to a bank account identified to OPTIONEE by NMTURPC in a written notice. Notices shall be hand delivered, sent by private overnight delivery service, sent by U.S. mail, postage prepaid, or sent by electronic mail, and addressed to the party to receive such notice at the address given above, or such other address as may hereafter be designated by written notice given as provided in this section. Notices and payments shall be effective upon receipt.

## **ARTICLE VI. ASSIGNMENT**

This Option Agreement may not be assigned, transferred, or conveyed in any manner, directly or indirectly, by the OPTIONEE, including by merger, reorganization, consolidation, or sale of OPTIONEE's assets or ownership interests, without the prior written consent of NMTURPC. Any attempted assignment, transfer, or conveyance in contravention of this Option Agreement shall be void and of no force and effect.

## **ARTICLE VII. SCOPE OF AGREEMENT**

This Option Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof. No representative of NMTURPC or OPTIONEE has been authorized to make any representation, warranty, or promise not contained herein. No license in or to the Patents is granted to OPTIONEE under this Option Agreement.

## **ARTICLE VIII. APPLICABLE LAW**

This Option Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of New Mexico.

**ARTICLE IX. MULTIPLE COUNTERPARTS/ELECTRONIC SIGNATURES**

This Option Agreement may be executed in one or more counterparts all of which together shall constitute one and the same instrument. This Option Agreement may be: (a) created and submitted to each party for signature in pdf or other similar type electronic file format; and, (b) executed by manual or electronic signature and executed signature pages may be delivered using pdf or similar type file transmitted by facsimile, electronic mail, cloud-based server, e-signature technology or other similar electronic means. When executed and delivered as provided in this section, an electronic record of this Option Agreement in a form that is capable of being accurately reproduced, whether by transmission, printing, or otherwise, may be relied upon by a party for any purpose.

**IN WITNESS WHEREOF**, the parties hereto have executed this Option Agreement in duplicate originals by their duly authorized officers or representatives.

**NMTURPC**

**OPTIONEE**

By: \_\_\_\_\_

By: \_\_\_\_\_

Callum Bell, Ph.D.  
NMTURPC President

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule A**  
**Description of Patents**

## **APPENDIX IV**

### **EXCLUSIVE PATENT LICENSE AGREEMENT**

**Between  
NMTURPC and [COMPANY]**

**EXCLUSIVE PATENT LICENSE AGREEMENT** (the “Agreement”) entered into effective [MONTH] [DATE], [YEAR] (the “Effective Date”) between **NMTURPC**, a New Mexico nonprofit research park corporation with its principal office at 801 Leroy Place, Socorro, New Mexico 87801 (hereinafter referred to as “NMTURPC”) and **[LICENSEE NAME]**, a **[LEGAL JURISDICTION] [TYPE OF ENTITY]** with its principal office at \_\_\_\_\_ (hereinafter referred to as “LICENSEE”). (NMTURPC and LICENSEE are individually a “Party” and collectively, the “Parties”).

In consideration of the mutual covenants and premises contained herein, the receipt and sufficiency of which are hereby acknowledged, NMTURPC and LICENSEE agree:

### **BACKGROUND**

NMTURPC holds title to and has certain rights and interests in the Licensed Patents and the Licensed Technology. NMTURPC desires to have products and services utilizing the Licensed Patents and the Licensed Technology developed and marketed at the earliest possible time in order that such products and services may be available for public use and benefit. LICENSEE desires to obtain rights to use the Licensed Patents and Licensed Technology for commercial purposes and NMTURPC desires to grant certain rights and licenses in and to the Licensed Patents and Licensed Technology to LICENSEE, all in accordance with the terms and conditions of this Agreement.

### **ARTICLE I** **DEFINITIONS**

A capitalized terms used in this Agreement shall have the meaning ascribed to it below:

“Affiliate” means a person or entity that directly or indirectly through one or more intermediaries’ controls, is controlled by, or is under common control, with the person or entity specified. For purposes of this definition, “control” and cognates thereof mean, with respect to an entity, the direct or indirect ownership of (a) at least fifty percent (50%) of the capital stock or share capital entitled to vote for the election of directors of the entity; or (b) at least fifty percent (50%) of equity or voting interests of the entity, or (c) the ability to otherwise direct the management and operations of the entity.

“Agreement” or “License Agreement” means this Agreement and all attached exhibits.

"Change-In-Control" means each and all of the following occurrences after the Effective Date: (i) the consummation of any form of merger (including, without limitation a forward triangular merger or reverse triangular merger) or consolidation of LICENSEE with any other entity, other than a merger or consolidation which would result in the voting securities of LICENSEE outstanding immediately prior thereto continuing to represent (either by

remaining outstanding or by being converted into voting securities of the surviving entity or its parent company) more than fifty percent (50%) of the total voting power represented by the voting securities of LICENSEE or such surviving entity, or its parent company, outstanding immediately after such merger or consolidation, or (ii) the consummation of a sale or disposition by LICENSEE of all or substantially all LICENSEE's assets, or (iii) the acquisition by any person or group of persons directly or indirectly, of securities of the LICENSEE representing fifty percent (50%) or more of the total voting power represented by LICENSEE's then outstanding voting securities.

“Commercial Sublicense” means any sublicensing agreement or arrangement between LICENSEE and a third party by which the third party is licensing Licensed Patents or Licensed Technology primarily for its own commercial development of Licensed Products or to provide Licensed Services. The holder of a Commercial Sublicense is a “Commercial Sublicensee.”

“Effective Date” means the date set out on the opening paragraph of this Agreement.

“Field of Use” means [DESCRIBE FIELD OF USE].

“Gross Receipts” means the gross payments and other considerations accrued or received by LICENSEE for: (i) the sale or other disposition of Licensed Products; or (ii) the performance of Licensed Services. The expression “other disposition” or “otherwise disposed of” with respect to Licensed Products means: (a) Licensed Products not sold but delivered by LICENSEE to others (including deliveries for export) regardless of the basis for compensation, if any; (b) Licensed Products put into use by LICENSEE for any purpose other than routine testing of such products; and (c) Licensed Products not sold as such but sold by LICENSEE as components or constituents of other products. Where Licensed Products are not sold, but are otherwise disposed of, Gross Receipts from such products for the purpose of computing royalties will be the selling price at which products of a similar kind and quality, sold in similar quantities, are currently being offered for sale by LICENSEE. Where such products are not currently being offered for sale by LICENSEE, Gross Receipts from such products for the purpose of computing royalties will be the selling price at which products of a similar kind and quality, sold in similar quantities, are currently being offered for sale by other manufacturers. Where such products are not currently sold or offered for sale by LICENSEE or others, then Gross Receipts for the purposes of computing royalties shall be determined by LICENSEE's cost of manufacture, determined by LICENSEE's customary accounting procedures, plus one hundred percent (100%). Gross Receipts with respect to a Licensed Product or a Licensed Service excludes the following items as separately charged and enumerated on an invoice to customers: packing, transportation and insurance charges; and import, export, excise, sales, use and value added taxes, and customs duties. Any royalty income or other consideration for a Commercial Sublicense that is subject to Section 4.2 hereof shall not be deemed to be “Gross Receipts”.

“Indemnitees” means NMTURPC, its University Member, each of their respective regents, trustees, employees, officers, and directors and their respective heirs, executors, administrators, assigns, and legal representatives.

“Inventors” means [NAMES OF INVENTORS].



“Licensed Patents” means all rights in inventions or discoveries covered by or embodied in the patents and patent applications listed on attached Exhibit A, and all divisions, continuations, reissues, reexaminations or extensions thereof, any letters patent that issue thereon, and existing and future foreign patent applications and patents that correspond thereto. “Licensed Patents” does not include, however, any continuation-in-part patent application or patent, other than a continuation-in-part entitled to claim priority to the date of any other Licensed Patent listed on Exhibit A that is fully supported by a Licensed Patent listed on Exhibit A and names the same inventors and has the same assignee(s) as a Licensed Patent listed on Exhibit A.

“Licensed Products” means products, the development, manufacture, use, sale, or import of which would, but for the license granted to LICENSEE under this Agreement, infringe, induce infringement, or contribute to the infringement of a Valid Claim or which involves the use of Licensed Technology.

“Licensed Services” means services that (a) make use of the Licensed Patents or the Licensed Technology in a manner which would, but for the license granted to LICENSEE under this Agreement infringe, induce infringement, or contribute to the infringement of a Valid Claim; (b) involve the use of Licensed Technology; or, (c) utilize or consume Licensed Products.

“Licensed Technology” means all technical information known to one or more Inventors that is, as of the date of this Agreement, legally vested in NMTURPC and within the scope of the disclosure of Licensed Technology set forth in attached Exhibit A. The term “Licensed Technology” does not include either: (a) any invention covered by a Valid Claim or any other patent; or, (b) any right or interest in or to or arising from any research at NMTURPC that occurs after the Effective Date.

“Licensed Territory” means [DESCRIBE LICENSED TERRITORY].

“Patent Expenses” means all out-of-pocket legal and other fees, costs, and expenses heretofore and hereafter incurred by NMTURPC and paid in the filing, prosecuting, and maintenance the Licensed Patents in the Licensed Territory that have not been previously reimbursed to NMTURPC by LICENSEE, another licensee, or an optionee of the Licensed Patents.

“Sublicense Income” means all amounts accrued or received under a Commercial Sublicense, net of any sales taxes (paid or payable, including value added tax) imposed upon LICENSEE and not reimbursed or paid by a third party with respect to such amounts, as consideration under the Commercial Sublicense, including, without limitation, license fees, maintenance fees, milestone payments and reimbursement for Patent Expenses.

“University Member” means the New Mexico Institute of Mining and Technology, each a New Mexico state educational institution under the Article 12, §11 of the Constitution of the State of New Mexico.

“Valid Claim” means a claim of an issued and unexpired patent, or a claim of a patent application, included within the Licensed Patents, which claim shall not have been irrevocably abandoned or held invalid, unpatentable, or unenforceable in an unappealable decision of a court

or other authority of competent jurisdiction, and which shall not have been admitted to be invalid or unenforceable through reissue, re-examination, disclaimer, or otherwise.

## **ARTICLE II** **GRANT OF LICENSE**

2.1 License Grant. Subject to the terms and conditions of this Agreement, NMTURPC grants to LICENSEE, to the extent of the Field of Use and Licensed Territory, a license under the Licensed Patents and the Licensed Technology, to: (a) make, use, sell, offer for sale, and import Licensed Products and to provide Licensed Services; and (b) in accordance with the provisions of section 2.5, below, to grant Commercial Sublicenses allowing a Commercial Sublicensee to make, use, sell, offer for sale, and import Licensed Products and to provide Licensed Services. The license granted to LICENSEE under this Section 2.1 is exclusive with respect to the Licensed Patents (subject to the reservations set out in this Article II and the rights, if applicable, of the United States government set out, below) and is non-exclusive with respect to Licensed Technology.

2.2 Rights Reserved. Except as expressly granted by NMTURPC to LICENSEE herein, all rights and entitlements, whether now existing or that may hereafter come into existence, are reserved to NMTURPC.

2.3 No Implied License. This Agreement shall not be construed to confer any rights upon LICENSEE by implication or estoppel.

2.4 Retained Rights of NMTURPC. Notwithstanding any provision of this Agreement, NMTURPC reserves and retains the royalty-free right to use the Licensed Patents and Licensed Technology and the inventions described therein for research, development, and educational purposes, and to grant such rights to other nonprofit institutions, academic institutions or Federal laboratories.

2.5 Commercial Sublicenses. Prior to entering a Commercial Sublicense, LICENSEE shall notify NMTURPC in writing of the proposed grant of the Commercial Sublicense and the terms thereof. LICENSEE shall ensure that all uses of Licensed Patents and Licensed Technology and all development and distribution of Licensed Products and Licensed Services by Commercial Sublicensees: (a) are consistent with the terms and conditions of this Agreement; and, (b) return value to LICENSEE commensurate with the benefits conferred on the Commercial Sublicensee by the Commercial Sublicense. LICENSEE may not authorize a Commercial Sublicensee to further sublicense a Licensed Patent or the Licensed Technology. LICENSEE shall submit each proposed Commercial Sublicense to NMTURPC for its review and determination as to whether the proposed Commercial Sublicense conforms to this Agreement. NMTURPC shall be deemed to have approved the proposed Commercial Sublicense unless, within thirty (30) days of LICENSEE'S tender of the proposed Commercial Sublicense to NMTURPC, NMTURPC provides to LICENSEE either written notice of non-approval and the reasons for non-approval or written notice of approval that is conditioned on specified actions by LICENSEE and/or the proposed Commercial Sublicensee. LICENSEE shall remain responsible for the operations of Commercial Sublicensees as if such operations were carried out by LICENSEE, including but not limited to the

payment of all fees and royalties due to NMTURPC under this Agreement, whether or not such payments are made to LICENSEE by the Commercial Sublicensees.

2.6 U.S. Government Rights. The Licensed Patents and Licensed Technology, or portions thereof, may have been developed with financial or other assistance through grants or contracts funded by the United States government. LICENSEE acknowledges that in accordance with Public Law 96-517, Title 35 Section 200 et. seq. of the United States Code, 37 C.F.R. 401 et. seq., and other statutes, regulations, and Executive Orders as now exist or may be amended or enacted, the United States government may have certain rights in the Licensed Patents and the Licensed Technology. LICENSEE shall take all action necessary to enable NMTURPC to satisfy its obligations under any federal law relating to the Licensed Patents and Licensed Technology, including any right of the United States government to a noncommercial use license. Without limiting the foregoing, if the inventions described in the Licensed Patents are subject inventions as defined under 35 U.S.C. §201(e), the rights and licenses granted hereunder are subject to the rights of the United States government with respect thereto, including: (A) that the United States government has a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States the subject invention throughout the world (and in some cases the right to assign or have assigned foreign patent rights); (B) the United States government retains “march-in” rights, in accordance with 35 U.S.C. §203; and (C) that licensing of the subject inventions is subject to other restrictions, including that preferences be given to small business firms (35 U.S.C. §202(c) (7)(D) and for U.S. manufacturing (35 U.S.C. §204). LICENSEE shall require that any Commercial Sublicense shall include provisions consistent with the rights of and obligations to the United States government as described in this Section and notifying the Commercial Sublicensee of the rights of the United States government in and obligations of the Commercial Sublicensee with respect to the subject inventions.

### **ARTICLE III** **DILIGENCE AND COMMERCIALIZATION**

3.1 Diligence and Commercialization. Throughout the term of this Agreement, LICENSEE will diligently develop, manufacture and sell Licensed Products and/or Licensed Services and diligently develop markets for Licensed Products and or Licensed Services.

3.2 Financial Capability. At all times during the term of this license, LICENSEE shall maintain the financial capability to comply with Section 3.1. Upon inquiry from NMTURPC regarding said capability, LICENSEE shall provide NMTURPC with information regarding LICENSEE’s financial capabilities and shall permit NMTURPC to inspect LICENSEE’s financial records.

### **ARTICLE IV** **CONSIDERATION FOR LICENSE AND ROYALTIES**

LICENSEE shall pay to NMTURPC the amounts described in this Article IV:

4.1 License Fees. LICENSEE shall pay and deliver to NMTURPC the following:

- (a) \_\_\_\_\_ dollars (\$\_\_\_\_\_) upon execution of this Agreement; and,

(b) License Maintenance Fees payable as follows:

Calendar Year	License Maintenance Fee U.S. \$ Per Calendar Year	Due Date
20_	\$	January 31, 20_
20	\$	January 31, 20
20_	\$	January 31, 20_

Each License Maintenance Fee relates to the calendar year set forth above. In the event that this Agreement is terminated for any reason prior to the end of a calendar year, the License Maintenance Fee payable to NMTURPC for the calendar year in which termination occurs shall be determined in accordance with the following formula:

$$TYLMF = LMF \times (DAYS/365)$$

where:

TYLMF is the License Maintenance Fee payable for the calendar year in which termination occurs;

LMF is the License Maintenance Fee that would have been payable for the calendar year in which termination occurs and,

DAYS is the number of days elapsed during such calendar year prior to the effective date of termination.

[INSERT FOR EQUITY]  
[IF LICENSEE IS A CORPORATION]

(c) Within thirty (30) days of the Effective Date, LICENSEE shall issue to NMTURPC that number of shares of the common stock of LICENSEE such that NMTURPC will own five percent (5%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis. Thereafter, at any time the equity ownership issued to NMTURPC in LICENSEE under this Agreement shall fall below five percent (5%) on a Fully Diluted Basis, LICENSEE shall issue to NMTURPC additional shares of common stock of LICENSEE so that at all times NMTURPC owns under this Agreement five percent (5%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis. The obligation of LICENSEE to maintain NMTURPC's ownership at \_\_\_\_\_ percent (X%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis under this Agreement: (i) shall continue through and up to the issuance of equity by LICENSEE for equity capital received by LICENSEE of an aggregate amount of two million dollars (\$2,000,000.00); and (ii) includes the obligation of LICENSEE to issue additional shares to NMTURPC under this Agreement without additional consideration for equity capital investments made in LICENSEE, if any, after the Effective Date by NMTURPC. Nothing in this Agreement shall be construed, however, as an obligation on the part of NMTURPC to make an equity capital investment in LICENSEE. The term "Fully Diluted Basis" will be calculated to include

conversion of all issued and outstanding securities convertible into ownership interests, and the exercise of all then outstanding options, warrants and other rights to acquire ownership interests, whether or not then exercisable. All common shares issued to NMTURPC under this Section will be considered fully paid and non-assessable.

**[IF LICENSEE IS A LIMITED LIABILITY COMPANY]**

(c) Within thirty (30) days of the Effective Date, LICENSEE shall issue to NMTURPC that number of membership units or percentage of membership interests of LICENSEE such that will own 5 percent (5%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis. Thereafter, at any time the equity ownership issued to NMTURPC in LICENSEE under this Agreement shall fall below 5 percent (5%) on a Fully Diluted Basis, LICENSEE shall issue to NMTURPC additional membership units or increased membership interests of LICENSEE so that at all times NMTURPC owns under this Agreement five percent (5%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis. The obligation of LICENSEE to maintain NMTURPC's ownership at five percent (5%) of the aggregate equity ownership of LICENSEE on a Fully Diluted Basis under this Agreement: (i) shall continue through and up to the issuance of equity by LICENSEE for equity capital received by LICENSEE of an aggregate amount of two million dollars (\$2,000,000.00); and (ii) includes the obligation of LICENSEE to issue additional membership units or increased membership interests to NMTURPC under this Agreement without additional consideration for equity capital investments made in LICENSEE, if any, after the Effective Date by NMTURPC or its Assignees. Nothing in this Agreement shall be construed, however, as an obligation on the part of NMTURPC to make an equity capital investment in LICENSEE. The term "Fully Diluted Basis" will be calculated to include conversion of all issued and outstanding securities convertible into ownership interests, and the exercise of all then outstanding options, warrants and other rights to acquire ownership interests, whether or not then exercisable. All membership units or membership interests issued to NMTURPC under this Section will be considered fully paid and non-assessable.

(d) milestone payments as follows:

(i) Upon the occurrence of a Change-In-Control, LICENSEE shall pay to NMTURPC a milestone payment determined as follows:

(A) \$250,000.00 if the Transaction Price associated with the Change-In-Control is less than \$20,000,000.00;

(B) \$500,000.00 if the Transaction Price associated with the Change -In-Control is \$20,000,000.00 or more and less than \$40,000,000.00; or,

(C) \$1,000,000.00 if the Transaction Price associated with the Change-In-Control is equal to or greater than \$40,000,000.00.

The term "Transaction Price" as used above shall mean the U.S. dollar value of the consideration for the Change-In-Control transaction as set by the parties to the Change-In-Control transaction.

(ii) OTHER MILESTONE PAYMENT PROVISIONS, IF ANY]

4.2 Royalty on Commercial Sublicensing Income. LICENSEE shall pay to NMTURPC fifty percent (50%) of all Sublicense Income.

4.3 Royalty on Gross Receipts. LICENSEE shall pay NMTURPC an earned cumulative annual royalty of five percent (5%) of Gross Receipts during each calendar year during the term of this Agreement.

4.4 Minimum Annual Royalties. LICENSEE shall pay NMTURPC royalties as stated in Section 4.3, but in no event will royalties paid under Section 4.3 for any calendar year during the term of this Agreement be less than the following minimum royalties during the calendar years indicated:

Calendar Year	Minimum Royalty U.S. \$ Per Calendar Year
20__	\$
20__	\$
20__, and each succeeding calendar year	\$

In the event that this Agreement is terminated for any reason prior to the end of a calendar year, the minimum royalty payable to NMTURPC for the year of termination shall be determined in accordance with the following formula:

$$TYMR = MR \times (DAYS/365)$$

where:

TYMR is the minimum royalty payable for the year of termination;

MR is the minimum royalty that would have been payable to NMTURPC for the year but for the termination: and,

DAYS is the number of days of the year of termination prior to the date of termination.

4.5 Reimbursement for Patent Expenses. LICENSEE shall reimburse NMTURPC for all Patent Expenses as follows:

(a) With respect to Patent Expenses incurred by NMTURPC prior to the Effective Date in the amount of \$\_\_\_\_\_, LICENSEE shall reimburse and pay to NMTURPC such amount upon execution of this Agreement; and,

(b) With respect to Patent Expenses incurred by NMTURPC on or after the Effective Date, Patent Expenses shall be reimbursed in advance by the LICENSEE in accordance with this Section 4.5(b). NMTURPC shall provide LICENSEE from time to time with written estimates of the anticipated amount of such expenses (with supporting documentation) over a stated time period, not to exceed six (6) months. LICENSEE shall pay over and advance to NMTURPC the amount of the estimated expenses (the “Advanced Patent Expense Amount”) within the time period stated in the notice. As the Advanced Patent Expense Amount is expended by NMTURPC in payment of actual Patent Expenses, NMTURPC shall provide LICENSEE with invoices showing the amount of such actual expenses (with supporting documentation) reflecting the application of the Advanced Patent Expense Amount as a credit. LICENSEE shall reimburse and pay to NMTURPC any Patent Expenses in excess of the Advanced Patent Expense Amount credited on any invoice within thirty (30) days after NMTURPC invoices LICENSEE. For avoidance of doubt, LICENSEE is obligated to reimburse NMTURPC for all Non-U.S. Patent Expenses invoiced to LICENSEE, even if NMTURPC has not provided an estimate.

## **ARTICLE V** **REPORTS AND PAYMENTS**

5.1 Quarterly Reporting. Not later than the last day of each January, April, July, and October during the term of this Agreement, LICENSEE shall deliver to NMTURPC a written report stating for the quarterly period ended the last days of the preceding December, March, June, and September, respectively:

(a) for Licensed Products, the number of units sold and the Gross Receipts of LICENSEE;

(b) for Licensed Services, a description of the services provided and the Gross Receipts of the LICENSEE from Licensed Services;

(c) for each Commercial Sublicensee, the name and address of the Commercial Sublicensee, any reports received by LICENSEE from the Commercial Sublicensee during the reporting period, and the consideration received by LICENSEE from the Commercial Sublicensee;

(d) such other detail as NMTURPC may reasonably require from time to time; and,

(e) the total amount due to NMTURPC from LICENSEE, with supporting calculations.

5.2 Payment. With the delivery of each report required under Section 5.1, but not later than the last day of each January, April, July, and October during the term of this Agreement, LICENSEE shall pay to NMTURPC all amounts due with respect to the preceding calendar quarter. In the event that the amounts due under Section 4.3 at the end of any calendar year do not equal or exceed the minimum royalties specified in Section 4.4, LICENSEE shall pay to NMTURPC, on or before the last day of the following January, the amount required to satisfy the minimum royalty obligation for the preceding calendar year. If no amount is accrued during any quarterly period, a written statement to that effect shall be delivered to NMTURPC.

5.3 Foreign Receipts. All amounts to be paid by LICENSEE hereunder shall be paid in U.S. Dollars. To the extent that Gross Receipts received by LICENSEE in any calendar quarter are received in currencies other than U.S. Dollars, for purposes of calculating the royalties due hereunder the rate of exchange to be used in computing the amount of currency equivalent in U.S. Dollars due NMTURPC shall be made at the monthly rate of exchange published in The Wall Street Journal (U.S., Western Edition) prevailing on the last business day of the month preceding the month in which such Gross Receipts are recorded by LICENSEE. All payments due must be made without deduction for taxes, assessments, or other charges of any kind that may be imposed on NMTURPC by any government other than that of the United States, or any political subdivision of such other government, with respect to any amounts payable to NMTURPC pursuant to this Agreement, and such taxes, assessments, or other charges must be assumed and paid by LICENSEE.

5.4 Interest on Overdue Payments. Payments required under this Agreement, when overdue, shall bear interest at a rate per annum rate of five percent (5%) in excess of the Prime Rate as published by The Wall Street Journal (U.S., Western Edition) at the time such payment is due and until payment is received by NMTURPC. The accrual of such interest shall not foreclose NMTURPC from exercising any other rights it may have resulting from the failure of LICENSEE to make the payment when due.

5.5 Terminal Report. If this Agreement is terminated for any reason before all of the payments provided for have been made (including the license maintenance fee or minimum royalties for the year in which the Agreement is terminated and any Patent Expenses incurred by NMTURPC prior to the termination date), LICENSEE must immediately submit a terminal report and pay to NMTURPC any remaining unpaid balance even though the due date as above provided has not been reached. Any excess Advance Patent Expense Amount held by NMTURPC shall be first applied to any other amounts owed NMTURPC on termination, then, to the extent there is a balance, returned to the LICENSEE.

## **ARTICLE VI** **RECORDS**

6.1 Records of Operations and Audit. LICENSEE and its Commercial Sublicensees shall keep full and accurate records containing particulars that may be necessary for the purpose of calculating the amounts payable to NMTURPC hereunder sufficient to verify the amounts payable to NMTURPC, including their detailed calculations and bases therefor, and to further allow such investigation of its operations as may be necessary to determine LICENSEE's and/or the Commercial Sublicensee's compliance with this Agreement in all respects, as well as the accuracy of the reports and statements furnished hereunder. LICENSEE shall keep these records carefully preserved and available for inspection for a period of at least five (5) years following the end of the calendar year to which they pertain. At its expense, NMTURPC, its authorized representative or agents, or a third party auditor designated by NMTURPC shall have the right to inspect the records upon reasonable (at least five (5) calendar days) notice and during regular business hours. If the audit discloses an underpayment of more than five percent (5%) from the amount of the original report or payment calculation, LICENSEE shall, in addition to paying to NMTURPC any deficiency plus interest thereon in accordance with Section 5.4, reimburse NMTURPC for the full cost of the performance of the audit.



**ARTICLE VII**  
**PATENT PROSECUTION AND**  
**MAINTENANCE/LICENSEE PATENT DISPUTES**

7.1 Prosecution and Maintenance of Licensed Patents. The prosecution and maintenance of the Licensed Patents shall be the primary responsibility of and controlled by NMTURPC. NMTURPC shall keep LICENSEE reasonably informed as to material developments with respect to the prosecution and maintenance of the Licensed Patents. LICENSEE shall be afforded reasonable opportunities to advise NMTURPC and cooperate with NMTURPC in such prosecution and maintenance. If LICENSEE should fail to reimburse or advance to NMTURPC for Patent Expenses incurred under this Section and Section 4.5 of this Agreement, NMTURPC shall have no further obligation to prosecute or maintain the Licensed Patents. LICENSEE may, upon ninety (90) days advance written notice to NMTURPC, advise NMTURPC that it no longer wishes to reimburse NMTURPC for expenses for Patent Expenses for one or more of the Licensed Patents. The giving of such notice, however, shall not relieve LICENSEE of its obligation to reimburse NMTURPC for such expenses incurred prior to the expiration of the ninety (90) day period. NMTURPC may, at its option, elect to pay such expenses or permit such Licensed Patents to become abandoned or lapsed. If NMTURPC elects to pay such expenses, such patents shall not be subject to any license granted to LICENSEE hereunder.

7.2 Extension of Licensed Patents. LICENSEE may request that NMTURPC have the normal term of any Licensed Patent extended or restored under a country's procedure of extending life for time lost in government regulatory approval processes, and the expense of same shall be borne in accordance with the terms of Section 4.5. LICENSEE shall assist NMTURPC to take whatever action is necessary to obtain such extension. In the case of such extension, royalties pursuant to Article IV hereof shall be payable until the end of the extended life of the patent. In the event that LICENSEE does not elect to extend Licensed Patents, NMTURPC may, at its own expense, effect the extension of such Licensed Patents. If NMTURPC elects to pay such expenses, such extended Licensed Patents shall not be subject to any license granted to LICENSEE hereunder.

7.3 Licensee Patent Dispute. With respect to any assertion or claim by LICENSEE of the patentability, invalidity, unenforceability, or non-infringement of a Licensed Patent, including inter-parties review proceedings and post-grant review proceedings of the U.S. Patent Office (a "Licensee Patent Dispute"):

(a) LICENSEE will bring to NMTURPC's attention any prior art or other information known to LICENSEE that is relevant to the patentability or validity of the Licensed Patent and that might cause a court, the Patent Trial and Appeal Board, an arbitration, or a governmental patent office to deem a Licensed Patent wholly or partially inoperative or invalid. LICENSEE will disclose such prior art or other information to NMTURPC at the time it learns thereof, and not less than ninety (90) days prior to bringing any action, arbitration, or proceeding against NMTURPC arising out of a Licensee Patent Dispute.

(b) Any Licensee Patent dispute shall be resolved by arbitration as provided for under Section 14.2 of this Agreement.

(c) Notwithstanding any other provision of this Agreement and specifically notwithstanding Section 12.3 of this Agreement, NMTURPC may by written notice to LICENSEE terminate this Agreement in the event that LICENSEE initiates any action, arbitration, or other proceeding arising out of a Licensee Patent Dispute.

(d) Notwithstanding any other provision of this Agreement, in the event that LICENSEE initiates any action, arbitration, or other proceeding arising out of a Licensee Patent Dispute, then effective as of the date such proceeding is initiated:

(i) LICENSEE shall pay to NMTURPC one hundred percent of all Sublicense Income;

(ii) The royalty rate on Gross Receipts under Section 4.3 shall be increased to two times the amount provided for under Section 4.3 during the pendency of the action, arbitration, or other proceeding, and three times the amount provided for under Section 4.3 in the event that any judgment or award in such action, arbitration, or proceeding upholds the validity or enforceability of the Licensed Patent, or any claim thereof, or determines that LICENSEE has infringed or is infringing the Licensed Patent.

(iii) The license maintenance fees and the minimum annual royalty under Sections 4.1(b) and 4.4 shall be increased to two times the amount provided for under Sections 4.1(b) and 4.4 during the pendency of the action, arbitration, or other proceeding, and three times the amount provided for under Sections 4.1(b) and 4.4 in the event that any judgment or award in such action, arbitration, or proceeding upholds the validity or enforceability of the Licensed Patent, or any claim thereof, or determines that LICENSEE has infringed or is infringing the Licensed Patent.

(e) Reports and payments to NMTURPC under Section 5.1 shall be made on a monthly basis, with reports and payments for each month due and payable on or before the tenth (10<sup>th</sup>) day of the following month.

(f) LICENSEE shall reimburse and pay NMTURPC its costs, expenses, attorney's and expert fees, and all other amounts incurred by NMTURPC in any action, arbitration or proceeding arising out of a Licensee Patent Dispute in the event that any arbitration award or judgment in such action, arbitration or proceeding upholds the validity or enforceability of the Licensed Patents, or any claim thereof, or determines that LICENSEE has infringed or is infringing the Licensed Patents.

## **ARTICLE VIII**

### **ABATEMENT OF INFRINGEMENT AND OTHER PROCEEDINGS**

8.1 Protection of Licensed Patents. LICENSEE acknowledges that the Licensed Patents and Licensed Technology are of great value to NMTURPC, and therefore, LICENSEE promises to take all appropriate measures to protect NMTURPC's interests therein. LICENSEE shall not permit any entity, individual or firm to have access to the Licensed Patents and Licensed Technology, except as authorized in this Agreement.

8.2 Notice of Infringement of Validity. Each Party shall promptly give written notice to the other Party of: (i) any suspected infringement of a Licensed Patent; (ii) the threat of or filing of any declaratory judgment or other action by a third party, including inter-parties review proceedings and post-grant review proceedings of the U.S. Patent Office alleging the invalidity, unenforceability, or non-infringement of the Licensed Patent.

8.3 Rights to Address Infringement. LICENSEE shall have the first right (but not the obligation) to notify an infringer and initiate legal proceedings to abate the infringement of a Licensed Patent within LICENSEE's Field of Use. NMTURPC agrees to join as a party plaintiff in any such lawsuit initiated by LICENSEE, if requested to do so by LICENSEE, with all costs, attorneys' fees, and expenses of NMTURPC to be paid by LICENSEE. Should LICENSEE elect not to institute such an action to enforce the Licensed Patent against infringement within LICENSEE's Field of Use within ninety (90) days after receipt of written notice from NMTURPC of NMTURPC's intention to bring suit for such infringement, NMTURPC shall have the right (but not the obligation) at its own expense to take those steps on behalf of itself and LICENSEE, provided that LICENSEE shall have the right to participate at its own expense in any action brought by NMTURPC.

8.4 Infringement Recoveries. If LICENSEE leads proceedings to abate and remedy infringement, any monetary recovery from the infringement of Licensed Patents received by LICENSEE shall first be applied to reimburse LICENSEE's unreimbursed expenses of such proceedings and then NMTURPC's unreimbursed expenses of such proceedings, including without limitation, reasonable attorneys' fees and court costs. Any remainder shall, to the extent the same pertain to an infringement of the Licensed Patents within LICENSEE's Field of Use, be treated as Gross Receipts and subject to LICENSEE's royalty obligations pursuant to Section 4.3 above. If NMTURPC leads proceedings to abate and remedy infringement, any monetary recovery from the infringement of Licensed Patents shall be paid to NMTURPC, with no obligation to pay any portion thereof to the LICENSEE.

8.5 Declaratory Judgment and Other Proceedings. In the event that a declaratory judgment or other proceeding is brought by a third party against NMTURPC or LICENSEE alleging invalidity, unenforceability, or non-infringement of the Licensed Patents, including inter-parties review proceedings and post-grant review proceedings of the U.S. Patent Office, NMTURPC, at its option, shall have the right within twenty (20) days after commencement of such action to take over the sole defense of the action or proceeding at its own expense. If NMTURPC does not exercise this right, LICENSEE may take over the defense of the action or proceeding at LICENSEE's expense, either solely or in conjunction with other licensees of NMTURPC holding licenses with respect to fields of use of the Licensed Patents other than the Field of Use. NMTURPC agrees to participate in such defense as a party, if requested by LICENSEE, with all costs, attorneys' fees, and expenses of NMTURPC to be paid by LICENSEE (either solely or in combination with other NMTURPC licensees of the Licensed Patents). In either case, the non-controlling Party as between NMTURPC and LICENSEE shall

have the right to participate in, comment on, and make recommendations regarding the course of the controlling Party's defense of such action or proceeding, which recommendations the controlling Party agrees to follow except to the extent the recommendations would result, in NMTURPC's reasonable determination, in an unwarranted narrowing of the Licensed Patents. The controlling Party shall provide to the non-controlling Party each document or a draft thereof pertaining to the declaratory judgment action or other proceeding, including but not limited to each communication to opposing counsel, pleading, discovery request, or other court filing as follows: (a) documents received from the court, administrative agency, or other tribunal or opposing counsel shall be provided to the non-controlling Party promptly after receipt; and (b) for a document to be served upon opposing counsel or filed in court, administrative agency, or other tribunal, a draft of such document shall be provided to the non-controlling Party sufficiently prior to its filing, to allow for review and comment by the non-controlling Party.

## **ARTICLE IX** **CONFIDENTIALITY**

9.1 Confidential Information. Except as provided herein, NMTURPC shall maintain in confidence, and shall not use for any purpose or disclose to any third party, information disclosed to it by or on behalf of LICENSEE in writing and marked "Confidential" or that is disclosed by or on behalf of LICENSEE orally and confirmed in writing as confidential within forty-five (45) days following such disclosure (collectively, "Confidential Information"). Confidential Information shall not include any information that: (i) is already known to NMTURPC at the time of disclosure hereunder, or (ii) now or hereafter becomes publicly known other than through acts or omissions of NMTURPC, or (iii) is disclosed to NMTURPC by a third party under no obligation of confidentiality to the disclosing Party or (iv) is independently developed by NMTURPC without reliance on the Confidential Information of LICENSEE.

9.2 Confidentiality of Agreement Terms. Neither Party shall, without the express written consent of the other, for any reason or at any time either during or subsequent to the term of this Agreement disclose to third parties the financial terms set forth in this Agreement, except upon a subpoena or other court order made with appropriate provision for protection of confidential information or as required by securities or other applicable laws or to advisors (including financial advisors, attorneys and accountants), potential and existing investors, and others on a need to know basis, in each case under circumstances that reasonably protect the confidentiality thereof. Notwithstanding the foregoing, NMTURPC may disclose the financial terms of this Agreement to its University Members and to the Inventors under a duty of confidentiality.

## **ARTICLE X** **LIMITED WARRANTY,** **MERCHANTABILITY AND EXCLUSION OF WARRANTIES**

10.1 Representations and Warranties. Each Party warrants to the other that it has the right and power to enter into this Agreement. NMTURPC represents, in good faith and to the best of its knowledge, that there are not, as of the date of the Effective Date, any claims, demands, suits, or judgments against it that in any manner would or might impair or interfere with NMTURPC's performance of the license granted by NMTURPC to LICENSEE under this Agreement. Notwithstanding

the foregoing, NMTURPC does not warrant the validity of any Licensed Patent or the Licensed Technology or that a patent will issue with respect to any patent application included in the Licensed Patents. NMTURPC does not warrant the content contained in the Licensed Patents or Licensed Technology or that they will be error free or that any defects will be corrected. NMTURPC makes no representation whatsoever with regard to the scope or commercial potential or profitability or income of or from the Licensed Patents or Licensed Technology or that such Licensed Patents or Licensed Technology may be exploited by LICENSEE without infringing any rights of any other party. NMTURPC makes no covenant either to defend any infringement charge by a third party or to institute action against infringers of Licensed Patents or Licensed Technology. NMTURPC does not warrant that the Licensed Patents or Licensed Technology will meet LICENSEE's or any of LICENSEE's customer's specific requirements. LICENSEE warrants that it possesses the necessary expertise and skill to make, and has made, its own evaluation of the capabilities, safety, utility, and commercial application of the Licensed Patents and Licensed Technology.

10.2 Disclaimer of representations and warranties. accordingly, the licensed patents and licensed technology are provided "as is." NMTURPC makes no representation or warranty of any kind with respect to the licensed patents and licensed technology and expressly disclaims any warranties of merchantability or fitness for a particular purpose and any other implied warranties with respect to the capabilities, safety, utility, or commercial application of licensed patents and licensed technology.

## **ARTICLE XI** **DAMAGES, INDEMNIFICATION, AND INSURANCE**

11.1 Indemnification by LICENSEE. LICENSEE shall defend, indemnify and hold the Indemnitees harmless from any and all claims, demands, actions and causes of action against the Indemnitees, and each of them, whether groundless or not, in connection with any and all injuries, losses, damages or liability of any kind whatsoever arising, directly or indirectly, out of use, exploitation, distribution, or sale of Licensed Patents, Licensed Technology, Licensed Products, or Licensed Services by or through the LICENSEE or its Affiliates or Commercial Sublicensees, whether or not the claims, demands, actions or causes of action are alleged to have resulted in whole or in part from the negligent acts or omissions of an Indemnitee or from acts or omissions of such persons for which an Indemnitee would otherwise be strictly liable. This indemnification obligation shall include, without limiting the generality of the foregoing, reasonable attorney fees and other costs or expenses incurred in connection with the defense of any and all such claims, demands, actions, or causes of action.

11.2 Insurance. Without limiting LICENSEE's indemnity obligations, within ninety (90) days of the commercial distribution of any Licensed Product or provision of Licensed Services, or, if applicable, on the date of initiation of any human trials, whichever occurs sooner, LICENSEE shall acquire a liability insurance policy and shall further maintain said policy throughout the term of this Agreement and for five (5) years thereafter, said policy to cover each Indemnitee as a named insured (with right to prior notice of cancellation) for all liabilities, claims, damages, and actions arising from or relating to LICENSEE's exercise of its license under this Agreement, including

but not limited to product liability and other matters within the scope of LICENSEE's indemnity obligations under this Agreement, said coverage to be in an amount no less than Two Million Dollars (\$2,000,000) per occurrence for bodily injury and Five Million Dollars (\$5,000,000) per occurrence for property damage, subject to a reasonable aggregate amount.

NMTURPC shall promptly notify LICENSEE of each claim, demand, action and cause of action for which NMTURPC or any Indemnitee intends to claim indemnification under Section 11.1 and provide, to the extent that such an evaluation is reasonably possible by NMTURPC, LICENSEE with NMTURPC's good-faith evaluation of the claim, demand, action or cause of action.

11.3 Limitation of Liability. Neither party shall be liable to the other party or any third party for any special, consequential, exemplary or incidental damages (including lost or anticipated revenues or profits relating to the same), arising from any claim relating to this agreement, whether such claim is based on contract, tort (including negligence) or otherwise, even if an authorized representative of such party is advised of the possibility or likelihood of same. The liability of NMTURPC under this agreement shall be subject in all cases to the immunities and limitations of the New Mexico tort claims act, sections 41-4-1 et. Seq., NMSA 1978, as amended.

## **ARTICLE XII** **TERM AND TERMINATION**

12.1 Term. Unless otherwise extended in writing by mutual agreement of the Parties, this Agreement will remain valid and in force until the later of: (i) ten (10) years from the date of the first sale of a Licensed Product or provision of a Licensed Service; or (ii) the expiration date of the last of the Valid Claims of the last to expire of the Licensed Patents. Any extension of the term of this Agreement may include additional provisions or modifications to other provisions of this Agreement as, negotiated between the Parties.

12.2 Termination by LICENSEE. LICENSEE shall have the right to terminate this Agreement at any time, upon ninety (90) days prior written notice, without cause and for any reason. If LICENSEE terminates this Agreement under this provision, NMTURPC will not be under any obligation to return any portion of the consideration paid by LICENSEE to NMTURPC.

12.3 Termination by NMTURPC. In the event of material breach of this Agreement by LICENSEE, NMTURPC may at any time provide written notice to LICENSEE of such material breach. If LICENSEE fails to cure the identified material breach within thirty (30) days after the date of the notice, NMTURPC may by written notice given to LICENSEE terminate this Agreement. A "material breach" of this Agreement for purposes of this Section 12.3 would include, but not be limited to, the failure to make the reports required under Article V of this Agreement on time or the failure to make the payments or deliveries required under Article IV of this Agreement on time.

#### 12.4 LICENSEE's Financial Condition.

(a) LICENSEE shall immediately notify NMTURPC in writing of its intent to: (a) liquidate and/or cease to carry on its business, (b) become "insolvent" (as such term is defined in the United States Bankruptcy Code, as amended from time to time), or (c) voluntarily seek, consent to or acquiesce in the benefits of any bankruptcy or similar debtor-relief laws within thirty (30) days of such action. Upon receipt of such notice, NMTURPC may, at its sole option, terminate this Agreement without prejudice to any other remedy to which NMTURPC may be entitled at law or in equity or elsewhere under this Agreement, by giving written notice of termination to LICENSEE. Failure by LICENSEE to provide such notice of intent will be deemed a material, pre-petition, incurable breach of this Agreement and the Agreement will terminate automatically on the date of such voluntary or involuntary petition in bankruptcy.

(b) NMTURPC may terminate this Agreement on written notice to LICENSEE on or any time after the LICENSEE makes a general assignment for the benefit of creditors, petitions for or acquiesces in the appointment of any receiver, trustee or similar officer to liquidate or conserve its assets, or commences or becomes a party under the laws of any jurisdiction any proceeding involving its insolvency, bankruptcy, reorganization, adjustment of debt, dissolution, liquidation or any other similar proceeding for the release of financially distressed debtors.

12.5 Effect of Termination on Commercial Sublicenses. Upon termination of the Agreement, any Commercial Sublicenses granted hereunder shall survive, provided that: at the time of such termination, the Commercial Sublicensee of the Commercial Sublicense is not in material default under the Commercial Sublicense; under such Commercial Sublicense the duties and obligations of NMTURPC to the Commercial Sublicensee under the Commercial Sublicense are not greater than the duties and obligations of NMTURPC under this Agreement; and, upon request by NMTURPC, such Commercial Sublicensee promptly agrees in to assume all the obligations of LICENSEE under this Agreement after the termination and to be bound by the applicable terms of this Agreement.

12.6 Effect of Termination on LICENSEE. If this Agreement is terminated for any reason whatsoever, LICENSEE shall return, or at NMTURPC's direction destroy, all plans, drawings, papers, notes, writings and other documents, samples, organisms, biological materials and models pertaining to the Licensed Patents and Licensed Technology, retaining no copies, and shall refrain from using or publishing any portion thereof. Upon termination of this Agreement, LICENSEE shall cease manufacturing, processing, producing, using, or selling Licensed Products and cease providing Licensed Services; provided, however, that LICENSEE may continue to sell in the ordinary course of business for a period of three (3) months reasonable quantities of Licensed Products that are fully manufactured and in LICENSEE's normal inventory at the date of termination if (a) all monetary obligations of LICENSEE to NMTURPC have been satisfied, and (b) royalties on such sales are paid to NMTURPC in the amounts and in the manner provided in this Agreement. However, nothing herein shall be construed to release either Party of any obligation that matured prior to the effective date of such termination.

12.7 Survival of Provisions on Termination. The word "termination" and cognate words such as "term" and "terminate" as used in this Article and elsewhere in this Agreement are to be

read as omitting from their effect the following rights and obligations, all of which shall survive any termination to the degree reasonably necessary to permit their fulfillment or discharge:

(a) LICENSEE's obligation to provide financial reports and pay all amounts due pursuant to Articles IV and V through the date of termination, LICENSEE's obligation to reimburse NMTURPC for Patent Expenses incurred prior to the date of termination, and LICENSEE'S other obligations under Article V of this Agreement;

(b) Any cause of action or claim of NMTURPC accrued, or to accrue, because of any breach or default by LICENSEE; and

(c) The provisions of Section 4.6 and 7.3 and of Articles VI, IX, X, XI, XII, XIV and XV of this Agreement.

### **ARTICLE XIII** **ASSIGNMENT**

This Agreement shall be binding upon and shall inure to the benefit of the legal representatives and assigns of NMTURPC and LICENSEE, provided, however, that any assignment of this Agreement by LICENSEE to a third party may be made only upon prior written consent of NMTURPC, which consent may be withheld or conditioned by NMTURPC as necessary to prevent prejudice to the Licensed Patents and Licensed Technology and to preserve the value of the consideration promised by LICENSEE to NMTURPC under this Agreement.

### **ARTICLE XIV** **MISCELLANEOUS**

14.1 Export Controls. LICENSEE acknowledges that NMTURPC is subject to United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes, and other commodities and that NMTURPC's obligations under this Agreement are contingent upon compliance with applicable United States export laws and regulations. The transfer of technical data and commodities may require a license from the cognizant agency of the United States government or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without the prior approval of certain United States agencies. NMTURPC neither represents that an export license shall not be required nor that, if required, such export license shall issue.

#### 14.2 Arbitration.

(a) Any dispute, claim or controversy arising out of or relating to this Agreement, the validity or infringement of the Licensed Patents, or the breach, termination, enforcement, interpretation or validity of this Agreement, including the determination of the scope or applicability of this agreement to arbitrate, shall be determined by arbitration in Albuquerque, New Mexico before one arbitrator. This clause shall not preclude parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction.



(b) The arbitration shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedures and in accordance with the Expedited Procedures in those Rules, as modified by this Agreement. To the extent that the rules of JAMS conflict with this Agreement, this Agreement shall control.

(c) In the event that the dispute, claim, or controversy involves the validity or infringement of the Licensed Patents, the arbitrator shall meet the following criteria: either (i) he or she shall be a licensed, U.S. Patent and Trademark Office registered U.S. patent attorney who (1) shall have had at least 15 years of experience in practicing patent law; (2) shall have litigated inter partes review proceedings before the PTAB or district court patent litigation at least through the summary judgment stage, and (3) shall have a technical educational background or industry experience relating to the subject matter of the Licensed Patents; or (ii) he or she shall be a former federal district judge or magistrate judge who has presided over at least 25 patent cases through summary judgment or trial or has served as a Federal Circuit Judge.

(d) The parties shall maintain the confidential nature of the arbitration proceeding and the award, including the hearing, except as may be necessary to prepare for or conduct the arbitration hearing on the merits, or except as may be necessary in connection with a court application for a preliminary remedy, a judicial challenge to an award or its enforcement, or unless otherwise required by law or judicial decision.

14.3 Legal Compliance. LICENSEE shall comply with all laws and regulations relating to its manufacture, processing, producing, use, selling, importing, or distributing of Licensed Products or Licensed Services. LICENSEE shall not take any action that would cause NMTURPC or LICENSEE to violate any laws and regulations.

14.4 Independent Contractor. LICENSEE's relationship to NMTURPC shall be that of a licensee only. LICENSEE shall not be the agent of NMTURPC and shall have no authority to act for or on behalf of NMTURPC in any matter. Persons retained by LICENSEE as employees or agents shall not by reason thereof be deemed to be employees or agents of NMTURPC.

14.5 Patent Marking. LICENSEE shall mark, and shall require all Commercial Sublicensees to mark, Licensed Products sold in the United States with United States patent numbers. LICENSEE shall mark, and shall require all Commercial Sublicensees to mark, Licensed Products manufactured or sold in other countries in compliance with the intellectual property laws in force in such foreign countries.

14.6 Use of Names. LICENSEE shall obtain the prior written approval of NMTURPC, its University Member, or the Inventors prior to making use of their names for any commercial purpose, except as required by law. As an exception to the foregoing, both LICENSEE and NMTURPC shall have the right to publicize the existence of this Agreement; however, neither LICENSEE nor NMTURPC shall disclose the terms and conditions of this Agreement without the other Party's consent, except as required by law.

14.7 Place of Execution. This Agreement and any subsequent modifications or amendments hereto shall be deemed to have been executed in the State of New Mexico, U.S.A.

14.8 Governing Law. This Agreement and all amendments, modifications, alterations, or supplements hereto, and the rights of the parties hereunder, shall be construed under and governed by the laws of the State of New Mexico and the United States of America.

The parties acknowledge that this Agreement evidences a transaction involving interstate commerce. Notwithstanding the provision in the preceding paragraph with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Agreement shall be governed by the Federal Arbitration Act (9 U.S.C., Secs. 1-16).

14.9 Sovereign Immunity. Nothing in the Agreement shall be deemed or treated as any waiver of sovereign immunity by the State of New Mexico or NMTURPC.

14.10 Entire Agreement. This Agreement constitutes the entire agreement between NMTURPC and LICENSEE with respect to the subject matter hereof and shall not be modified, amended or terminated except as herein provided or except by another agreement in writing executed by the parties hereto.

14.11 Severability. All rights and restrictions contained herein may be exercised and shall be applicable and binding only to the extent that they do not violate any applicable laws and are intended to be limited to the extent necessary so that they will not render this Agreement illegal, invalid or unenforceable. If any provision or portion of any provision of this Agreement not essential to the commercial purpose of this Agreement shall be held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it is the intention of the parties that the remaining provisions or portions thereof shall constitute their agreement with respect to the subject matter hereof, and all such remaining provisions or portions thereof shall remain in full force and effect. To the extent legally permissible, any illegal, invalid or unenforceable provision of this Agreement shall be replaced by a valid provision that will implement the commercial purpose of the illegal, invalid or unenforceable provision. In the event that any provision essential to the commercial purpose of this Agreement is held to be illegal, invalid or unenforceable and cannot be replaced by a valid provision that will implement the commercial purpose of this Agreement, this Agreement and the rights granted herein shall terminate.

14.12 Force Majeure. Any delays in, or failure of, performance of any party to this Agreement shall not constitute default hereunder, or give rise to any claim for damages, if and to the extent caused by occurrences beyond the control of the party affected, including, but not limited to, acts of God, strikes or other work stoppages; civil disturbances, fires, floods, explosions, riots, war, rebellion, sabotage, acts of governmental authority or failure of governmental authority to issue licenses or approvals that may be required. Any nonperformance or delay of LICENSEE subject to this Section 14.12 that is in excess of one hundred eighty (180) days will constitute a material breach of this Agreement under Section 12.3.

**ARTICLE XV**  
**NOTICES**

All notices and other communications shall be hand delivered, sent by private overnight mail service, or sent by registered or certified U.S. mail, postage prepaid, return receipt requested, and addressed to the party to receive such notice or other communication at the address given below, or such other address as may hereafter be designated by notice in writing:

If to NMTURPC:

NMTURPC  
801 Leroy Place  
Socorro, New Mexico 87544

If to LICENSEE:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Such notices or other communications shall be effective upon receipt by an employee, agent or representative of the receiving party authorized to receive notices or other communications sent or delivered in the manner set forth above.

**IN WITNESS WHEREOF, NMTURPC and LICENSEE** have caused this Agreement to be signed by their duly authorized representatives, under seal, as of the day and year indicated above.

**NMTURPC**  
**a New Mexico nonprofit**  
**research park corporation**

**[COMPANY]**

By: \_\_\_\_\_  
Callum Bell, Ph.D.,  
NMTURPC President

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**LICENSED PATENTS AND LICENSED TECHNOLOGY**

**Policy** NMT Intellectual Property Policy  
**Title:** \_\_\_\_\_

**New Mexico Tech Policy Signature and Approval Document**

**Legal Review (if applicable):**

<small>DocuSigned by:</small> <i>Bruce Kite</i>	In House Counsel	9/26/2023
<small>815F599F128A4CC...</small>		
<small>DocuSigned by:</small> <i>[Signature]</i>	Title	Date
<small>BE45B5323723429...</small>	Outside Counsel	9/27/2023

**Campus Community Review Dates:** September 11, 2023 to September 29, 2023  
(Thomas Campbell) 15 Calendar Days

**Approval by Chair of President's Policies and Procedures Committee (if applicable):**

Signature	Title	Date
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**Approval by Sponsoring Division Head:**

<small>DocuSigned by:</small> <i>Michael Doyle</i>	Vice President for Research	9/26/2023
<small>23D8C98D2A9E486...</small>		
<small>DocuSigned by:</small> <i>[Signature]</i>	Title	Date
<small>346C765F62FD436...</small>	OIC Executive Director	9/26/2023

**Approval by President:**

Approved on this date by Dr. Daniel H. López, Interim President, New Mexico Institute of Mining and Technology. Minor editorial revisions may be made. Content of this policy cannot be changed.

*[Signature]* \_\_\_\_\_ 10-6-23  
Signature of the Interim President Date

**Approval by Chair of the Board of Regents (if applicable):**

<i>[Signature]</i>	President	10/9/23
Signature	Title	Date

**Certificate Of Completion**

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Envelope Originator:  
 Myrriah Tomar  
 myrriah.tomar@nmt.edu  
 IP Address: 76.113.117.139

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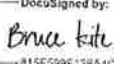
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 myrriah.tomar@nmt.edu

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**Signer Events**

Bruce Kite  
 Bruce.Kite@nmt.edu  
 In House Counsel  
 Security Level: Email, Account Authentication  
 (None)

**Signature**

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Michael Doyle  
 Mike.Doyle@nmt.edu  
 Vice President for Research  
 Security Level: Email, Account Authentication  
 (None)

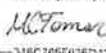
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Thomas Campbell  
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 Outside Counsel  
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**In Person Signer Events**

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**Timestamp**