



EXPRESS OPTION AGREEMENT

This Express Option Agreement (“**Agreement**”) is effective as of the date of the last signature on the signature page (“**Effective Date**”), and is made by and between the UNIVERSITY OF MARYLAND, BALTIMORE (“**UMB**”), a constituent institution of the University System of Maryland (“**USM**”) (which is a public corporation and an instrumentality of the State of Maryland), and _____, a _____ corporation / limited liability company / other organization (“**Optionee**”).

BACKGROUND

Optionee is sponsoring research at UMB, pursuant to the terms of a Sponsored Research Agreement dated as of _____, 20__ (the “**Research Agreement**”). The research relates to the “**Invention[s]**” described in **Schedule A**, which is/are owned, in whole or in part, by UMB by virtue of assignments of rights in and to the Invention[s] by the UMB inventor[s] set forth on **Schedule A**. The Invention[s] is/are the subject of the patents and/or patent applications described in **Schedule A** (the “**Patent Rights**”).

ARTICLE 1. TERMS OF OPTION

1.1 In connection with the Research Agreement, UMB hereby grants to Optionee an exclusive option during the Term (defined below) to obtain an exclusive, royalty-bearing license to the Invention[s] and Patent Rights (the “**Option**”). The Option (and the license to be granted upon exercise of the Option) is subject to UMB’s agreements with third parties and agreement on final terms.

1.2 In consideration of the Option, Optionee will pay to UMB an option fee of U.S. \$5000.00 (“**Option Fee**”) within fifteen (15) days following invoice. If Optionee fails to pay UMB the Option Fee, it shall automatically relinquish all rights under this Agreement on the fifteenth (15th) day from the date of invoice. The Option Fee is nonrefundable, but is creditable towards reimbursement of direct costs incidental to the commercialization of the Invention[s] incurred by UMB before the Effective Date and/or during the Term of this Agreement, including without limitation patent expenses under Section 1.7.

1.3 Optionee may exercise the Option before the expiration of the Term by providing (a) a written statement, of its intention and ability to develop licensed products for public use as soon as practicable, and (b) payment of an additional one-time, nonrefundable exercise fee of U.S. \$5000.00.

1.4 Upon exercise of the Option and for a reasonable period not to exceed ninety (90) days (or such longer period as the parties may agree), UMB and Optionee will negotiate in good faith to establish the terms of a master license agreement (the “**Master License Agreement**”). The Master License Agreement shall be in UMB’s standard form, and will contain terms and conditions customary to patent and technology licenses normally granted by UMB, including without limitation: a defined licensed field; terms consistent with the provisions of U.S. law applicable to intellectual property funded in whole or in part by the U.S. Government; a reservation of the rights of UMB to practice and to grant other not-for-profit organizations the right to practice the Invention[s] for research, teaching and other educational purposes; license fees; royalty payments; milestone payments; reimbursement of expenses; commercially reasonable due diligence obligations for the development and commercialization of the Invention[s]; the right of UMB to terminate the license if Optionee does not meet specified due diligence milestones; liability limitations; and indemnity and insurance provisions for the benefit of UMB and UMB related organizations.

1.5 This Agreement and the Option shall expire upon the earlier of: (a) thirty (30) days after the date of termination or expiration of the Research Agreement, excluding any no-cost extension(s); or (b) thirteen (13) months from the Effective Date (the “**Term**”). However, if Optionee exercises the Option within the Term, this Agreement will expire at the end of a ninety (90) day negotiation period or upon execution of a master license agreement, whichever first occurs.

1.6 UMB is solely responsible for preparing, filing, prosecuting, and maintaining the Patent Rights and any and all decisions related thereto. UMB and Optionee shall cooperate in connection with the prosecution,

filing, and maintenance of any patent applications and/or patents. UMB shall use reasonable efforts to promptly provide to Optionee copies of all papers received and filed in connection with the prosecution, filing, and maintenance (unless it would adversely affect any attorney-client privilege or otherwise violate any law, regulation, or court order).

1.7 Notwithstanding any provision of this Agreement to the contrary, patent expenses (legal fees, filing fees, charges, expenses, and other similar costs) incurred as a result of Optionee's specific instruction to UMB shall be reimbursed to UMB by Optionee (sent to the address below) within thirty (30) days from the date of invoice to Optionee. Interest is due on any payment to UMB required under this Agreement that is more than thirty (30) days late. The interest rate is 1.5% simple interest per month accruing from the due date. This Section shall survive expiration or termination of this Agreement.

1.8 Optionee agrees not to identify UMB or USM in any promotional advertising or other promotional materials or to use the name of any UMB or USM faculty member, employee, or student or any trademark, service mark, trade name, or symbol of UMB or USM, without UMB's or USM's prior written consent. Any use of UMB's or USM's name shall be limited to statements of fact and shall not imply endorsement of Optionee's products or services.

ARTICLE 2: WARRANTY DISCLAIMER AND INDEMNIFICATION

2.1 THE INVENTION[S] AND PATENT RIGHTS ARE PROVIDED "AS IS." UMB DISCLAIMS ALL EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE INVENTION[S], PATENT RIGHTS, AND LICENSED PRODUCTS, INCLUDING WITHOUT LIMITATION: SCOPE, VALIDITY OR ENFORCEABILITY OF THE PATENT RIGHTS; WHETHER A PATENT APPLICATION WILL BE APPROVED OR THAT A PATENT WILL ISSUE; RELIABILITY, COMPLETENESS, OR ACCURACY; THE SCOPE, VALIDITY, OR ENFORCEABILITY OF THE PATENT RIGHTS; INFRINGEMENT OR NON-INFRINGEMENT; THE PERFORMANCE OF THE INVENTION[S] OR LICENSED PRODUCTS, INCLUDING WITHOUT LIMITATION AS TO THEIR SAFETY, EFFECTIVENESS, OR COMMERCIAL VIABILITY; AND THE WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING, OR USAGE OF TRADE.

2.2 Optionee shall indemnify and hold harmless UMB, USM, and the State of Maryland and each of their respective current and future regents, directors, trustees, officers, faculty, medical and professional staff, employees, students, trainees, and agents, and their respective successors, heirs, and assigns against any claim, liability, cost, damage, deficiency, loss, expense or obligation of any kind or nature (including without limitation reasonable attorneys' fees, expert witness fees, court costs and other costs and expenses of litigation at trial and appellate levels) incurred by or imposed upon any one of them in connection with any claims, suits, actions, demands or judgments that may arise from any actions or omissions in connection with this Agreement of Optionee, its personnel, or any other person acting on behalf of or under authorization from Optionee.

ARTICLE 3: MISCELLANEOUS

3.1 This Agreement may not be amended, nor may any right or remedy of either party be waived, unless the amendment or waiver is in writing and signed by a duly authorized representative of each party.

3.2 Notices and invoices under this Agreement shall be in writing and shall be delivered by electronic mail, personally as proven by a signed receipt, sent by a reputable, national overnight delivery service, charges prepaid, or sent by certified mail return receipt requested. Notices shall be addressed to a party at the address specified on the signature page, or at such other place or places as shall from time to time be specified in a notice similarly given. All notices shall be effective upon receipt.

3.3 UMB and Optionee are not (and nothing in this Agreement may be construed to constitute them as) partners, joint venturers, agents, representatives or employees of the other, nor is there any status or relationship between them other than that of independent contractors. No party has any responsibility or liability for the actions of the other party except as specifically provided in this Agreement. No party has any right or authority to bind or obligate the other party in any manner or make any representation or warranty on behalf of the other party.

3.4 This Agreement, and the Option, may not be assigned by Optionee in whole or in part to any third party without the prior written consent of UMB.

3.5 This Agreement is made and construed in accordance with the laws of the State of Maryland without regard to choice of law issues. Each party consents to the jurisdiction of the Circuit Court of Baltimore City or Anne Arundel County, Maryland for any suit against the other party relating to this Agreement, and agrees to file any such suit in one of those courts. UMB AND OPTIONEE WAIVE THEIR RIGHTS TO TRIAL BY JURY IN ANY LITIGATION BETWEEN THEM RELATING TO THIS AGREEMENT.

3.6 There are no contracts, understandings, conditions, warranties or representations, oral or written, express or implied, with reference to the subject matter of this Agreement that are not merged in this Agreement.

3.7 This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall together constitute one agreement. This Agreement may be signed and delivered, or a signature may be transmitted or communicated, by means of facsimile or other electronic transmission (such as a Portable Document Format (PDF) copy of an original signature).

3.8 No provision of this Agreement shall constitute or be construed as a limitation, abrogation, or waiver of any defense or limitation of liability available to the State of Maryland or its units (including without limitation USM and UMB), officials, or employees under Maryland or Federal law, including without limitation the defense of sovereign immunity or any other governmental immunity.

The parties have caused this Agreement to be executed by their duly authorized representatives.

[Name of Optionee]

By: _____
Name: _____
Title: _____
Date: _____

Attn: _____
Email: _____

UNIVERSITY OF MARYLAND, BALTIMORE

By: _____
Name: _____
Title: _____
Date: _____

Commercial Ventures & Intellectual Property
Office of Research and Development
University of Maryland, Baltimore
620 West Lexington Street, 4th Floor
Baltimore, Maryland 21201-1508
Email: cvip@umaryland.edu

UMB Docket:



SCHEDULE A

Invention[s]:			
Patent Info:			
Inventor[s]:	<u>Name:</u>	<u>Employer when invention was made:</u>	<u>Current Employer:</u>
* Federal or other funding of related research? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, provide funding agency and contract no.:</i>			
Other joint interest? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If yes, provide name of entity:</i>			
** VA joint interest? <input type="checkbox"/> Yes <input type="checkbox"/> No			

* If applicable, the U.S. Government retains certain rights in the Invention, and the Option is subject in all respects to U.S. law applicable to intellectual property funded in whole or in part by the U.S. Government.

** If applicable, this Agreement is subject to the terms and conditions of the Cooperative Technology Administration Agreement, as amended, effective July 1, 2000 between UMB and the VA.