

Please Note – Georgia State has provided this template agreement as a courtesy to our industry partners; no single template can account for the wide variety of option agreements in which the university may engage; it is explicitly not an offer. The terms and conditions of any option agreement will be impacted by the specific details of the technology and relationship, the intent of the parties, and our negotiations. For example, without limitation, if the proposed technology involves human therapeutics, additional terms and conditions will apply.

OPTION AGREEMENT

This Option Agreement (the "AGREEMENT") is made and entered into on _____ ("EFFECTIVE DATE") by and between the GEORGIA STATE UNIVERSITY RESEARCH FOUNDATION, INC., a nonprofit Georgia corporation with offices located at 58 Edgewood Avenue, 3rd Floor, Atlanta, GA 30302, (hereinafter referred to as "GSURF") and _____, a _____ corporation having a principal place of business located at _____ (hereinafter referred to as "COMPANY").

WHEREAS, Georgia State University ("GSU") has developed certain inventions related to _____ (GSU TechID _____) as provided in the LICENSED PATENTS and LICENSED TECHNOLOGY; and

WHEREAS, GSURF is the assignee of all right, title, and interest in inventions developed by employees of GSU and is responsible for the protection and commercial development of such inventions; and

WHEREAS, COMPANY wishes to obtain an option to negotiate and acquire a license from GSURF to practice LICENSED PATENTS and LICENSED TECHNOLOGY, and sell and distribute products derived therefrom.

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

Article 1. EFFECTIVE DATE AND OPTION PERIOD

1.1 This AGREEMENT is effective as of the EFFECTIVE DATE for an initial period of _____ months (the "OPTION PERIOD").

Article 2. DEFINITIONS

2.1 FIELD OF USE shall mean _____.

2.2 INVENTORS shall mean the named inventors of the LICENSED PATENTS.

2.2 LICENSED PRODUCT means any process, service or product, the manufacture, use, sale, offer for sale or import of which is covered by any VALID CLAIM or that incorporates or uses any LICENSED KNOW-HOW. For the avoidance of doubt, a process, service or product is a LICENSED PRODUCT even if it incorporates LICENSED TECHNOLOGY and adds additional features.

2.3 LICENSED PATENTS shall mean the patents and patent applications identified in APPENDIX A, together with any and all substitutions, extensions, divisionals, continuations, continuations-in-part (only to the extent of claimed subject matter that is disclosed and enabled in the parent LICENSED PATENT and provided that such continuation-in-part is not, as of the Effective Date, obligated to a third party), foreign counterparts of such patent applications and patents which issue thereon anywhere in the world, including reexamined and reissued patents.

2.4 LICENSED KNOW-HOW shall mean all formulations, designs, technical information, know-how, knowledge, data, specifications, test results, processes, procedures, compositions, methods, formulas, protocols, techniques and other information, whether or not patented or patentable (collectively "Know-How"), provided that such Know-How:

- (a) was developed by one or more INVENTORS at GSURF prior to the EFFECTIVE DATE;
- (b) is not covered by the claims of the LICENSED PATENTS, but is necessary for practicing the invention claimed by LICENSED PATENTS; and
- (c) GSURF possesses the right to license the use of such Know-How to COMPANY for commercial purposes.

2.5 LICENSED TECHNOLOGY shall mean LICESNED PATENTS and LICENSED KNOW-HOW.

2.6 OPTION PERIOD shall have the meaning set forth in Article 1 above.

2.7 TERM shall have the meaning set forth in Article 5 below.

2.6 VALID CLAIM shall mean a claim in an unexpired patent or pending patent application included in the LICENSED PATENTS, provided such claim shall not have been irrevocably abandoned or held invalid in an unappealable decision of a court or other authority of competent jurisdiction in the relevant country.

Article 3. WARRANTIES

3.1 GSURF hereby represents that, to the best of its knowledge, it has the rights and power to enter into this AGREEMENT and to grant the exclusive option set forth herein.

3.2 GSURF MAKES NO WARRANTIES OR OTHER REPRESENTATIONS OF ANY KIND WITH RESPECT TO THE LICENSED TECHNOLOGY OR LICENSED PRODUCTS AND EXPRESSLY DISCLAIMS ANY AND ALL WARRANTIES, INCLUDING (BUT NOT LIMITED TO) 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 THE LICENSED TECHNOLOGY OR LICENSED PRODUCTS. GSURF FURTHER DISCLAIMS ANY AND ALL WARRANTIES AND REPRESENTATIONS AS TO THE SCOPE, VALIDITY, ENFORCEABILITY, OR

PROTECTABILITY OF THE LICENSED TECHNOLOGY OR THAT ANY LICENSED PATENT, LICENSED TECHNOLOGY OR LICENSED PRODUCT DOES NOT OR WILL NOT INFRINGE THE RIGHTS OF ANY THIRD PARTY, OR THAT NO THIRD PARTIES ARE IN ANY WAY INFRINGING THE LICENSED PATENTS.

3.3 (a) COMPANY acknowledges that GSURF and COMPANY may have certain obligations and the U.S. Government may have certain rights in the LICENSED TECHNOLOGY if such was developed with any assistance through grants or contracts from the United States. This AGREEMENT is explicitly made subject to the U.S. Government's rights under any such funding agreements and any applicable law or regulation. To the extent that there is a conflict between any such funding agreements, applicable law or regulation and this AGREEMENT, the terms of such U.S. Government funding agreements, applicable law or regulation will prevail.

(b) COMPANY hereby warrants that it shall take all action necessary to satisfy, and to enable GSURF to satisfy any and all obligations under any such government funding agreements. If the U.S. Government should take action which renders it impossible or impractical for GSURF to grant, or which conditions or reduces the rights and licenses granted herein, GSURF or COMPANY may terminate this Agreement upon reasonable prior notice or cause it to be equitably reformed upon reasonable prior notice to reflect such conditioned or reduced rights and licenses (including without limitation with respect to the value and price of such rights and licenses). COMPANY shall not have any right to the return of any payments of any kind made by it to GSURF prior to the date of such action.

3.4 The COMPANY understands and agrees that a right and license to the LICENSED TECHNOLOGY is retained by GSURF and GSU, on behalf of themselves, their employees, and their research collaborators, to make, have made, use, import and transfer LICENSED PRODUCTS and practice LICENSED TECHNOLOGY for research, development, educational, scholarly, and non-commercial clinical or humanitarian purposes.

Article 4. OPTION FOR EXCLUSIVE LICENSE

4.1 Subject to any third party rights, GSURF hereby grants COMPANY an exclusive option to negotiate both: (i) an exclusive, worldwide license to practice the LICENSED PATENTS, and (ii) a non-exclusive worldwide license to use the LICENSED KNOW-HOW, in the FIELD OF USE under terms to be mutually agreed upon by the parties. Provided that COMPANY has completed the milestones in APPENDIX B, COMPANY may exercise its option at any time during the OPTION PERIOD by notifying GSURF in writing. The parties shall thereafter negotiate in good faith a license that includes, but not be limited to, terms which:

(a) require COMPANY to reimburse GSURF for all unreimbursed expenses (past and future) incurred in obtaining the LICENSED PATENTS;

(b) require COMPANY to defend, hold harmless, and indemnify GSURF, Georgia State University, and the University System of Georgia, including the foregoing parties' regents and

employees, against all claims and damages arising from the commercial exploitation and use of the LICENSED PATENTS and LICENSED TECHNOLOGY; and

(c) may be typically found in license agreements entered into between universities and _____ companies involving similar technology.

4.2 Notwithstanding anything to the contrary herein, this AGREEMENT shall automatically terminate, and GSURF shall be under no further obligation to COMPANY and shall be free to license the LICENSED TECHNOLOGY to other parties, if any of the following occur:

- (a) COMPANY and GSURF cannot reach agreement on the terms of the license within six (6) months after COMPANY's notice of its election of the option;
- (b) COMPANY chooses to not exercise its option during the OPTION PERIOD; or
- (c) COMPANY has not completed the milestones in APPENDIX B by the end of the OPTION PERIOD.

Article 5. TERM and TERMINATION

5.1 This term of this AGREEMENT ("TERM") shall begin on the Effective Date and, unless otherwise terminated pursuant to Section 5.2 below, shall end upon the earliest of:

- (a) the end of the OPTION PERIOD, if COMPANY chooses to not exercise its option or does not properly exercise its option;
- (b) the full execution a license agreement, in accordance with the terms of Article 4 above, if Company has properly exercised its option;
- (c) six months after COMPANY's notice of its election of the option, if such option is properly exercised and the parties have not fully-executed a license agreement.

5.2 Notwithstanding the foregoing, either party may terminate this Agreement as follows:

- (a) COMPANY may terminate this AGREEMENT by giving 30 days written notice to GSURF.
- (b) GSURF may terminate this AGREEMENT upon 30 days written notice to COMPANY if COMPANY breaches or defaults on its payments obligations under this AGREEMENT or on its payment obligations as set forth in any related agreement, including any research agreement, between COMPANY and GSURF, unless, before the end of the 30 day period, COMPANY has cured the breach or default to the satisfaction of GSURF and so notifies GSURF in writing, stating the manner of the cure.

Article 6. PAYMENT

6.1 In consideration for the option granted herein, COMPANY agrees to pay GSURF _____ dollars (\$ _____) within thirty (30) days after the EFFECTIVE DATE.

6.2 COMPANY shall reimburse GSURF for all external out-of-pocket fees, costs, and expenses incurred by GSURF during the TERM in filing, prosecuting, and maintaining the LICENSED PATENTS. COMPANY shall deliver such reimbursement to GSURF within thirty (30) days after GSURF, from time to time, notifies COMPANY of the amount of such fees, costs, and expenses which have been paid or incurred by GSURF and provide copies of invoices with backup support.

6.3 All payments under this AGREEMENT are to be paid in U.S. dollars, checks payable to the order of Georgia State University Research Foundation, Inc. and mailed to the following address:

Georgia State University Research Foundation, Inc.
P.O. Box 1721
Atlanta, GA 30301
ATTN: Director, Office of Technology Transfer & Commercialization

Article 7. CONFIDENTIAL INFORMATION

7.1 As soon as possible following the execution of this AGREEMENT, the parties may need to disclose confidential information to one another for the purpose of evaluating and discussing the LICENSED TECHNOLOGY hereunder, a potential licensing relationship, COMPANY'S potential development of future LICENSED PRODUCTS in the event of a fully-executed exclusive license, and a party's research or business activities in connection with any of the foregoing (hereinafter, "Disclosure Purpose"). All such information disclosed during the OPTION PERIOD (and during the period of license negotiation), which is considered by the disclosing party to be confidential and proprietary, shall be deemed "CONFIDENTIAL INFORMATION", provided that such information is either:

- (a) in writing and marked "Confidential"; or
- (b) if disclosed orally, is identified as confidential at the time of disclosure, and is thereafter reduced to a writing (clearly marked "Confidential") that is received by the receiving party within thirty (30) days of the oral disclosure.

7.2 GSURF and Company each agree:

- (a) that all Confidential Information it receives hereunder shall not be disclosed to any third party (including, without limitation, persons, firms, or entities) and shall be maintained in confidence for a period of three (3) years from the receipt of such Confidential Information;
- (b) not to use the other party's Confidential Information for any purpose other than the Disclosure Purpose set forth above without the prior written consent of the other party;

(c) to limit access to Confidential Information it receives hereunder to its employees, agents, and other representatives who have a need-to-know in order to effectuate the Disclosure Purpose and who are bound to maintain Confidential Information received hereunder under non-disclosure terms at least as restrictive as those contained herein; and

(d) to use the same standard of care to protect the confidentiality of Confidential Information it receives hereunder that it uses to protect its own confidential information, but in no event less than a reasonable standard of care.

7.3 Notwithstanding anything to the contrary herein, a receiving party hereunder shall have no obligations (of non-disclosure or otherwise) with respect to any information:

- (a) that, at the time of disclosure, is in the public knowledge;
- (b) that, after disclosure, becomes part of the public knowledge by publication or otherwise, except by breach of this Agreement;
- (c) that was already in the receiving party's possession at the time of disclosure, which prior possession can be proven by documentary evidence;
- (d) received from third parties, provided such information was not obtained, to the receiving party's actual knowledge, by said third parties on a confidential basis;
- (e) that is independently developed by the receiving party's personnel (which can be proven by documentary evidence) who were not privy to the disclosing party's Confidential Information; and
- (f) that is required to be disclosed by the receiving party to comply with law, governmental regulation or court order, provided that written notice of such required disclosure is furnished to the disclosing party as soon as practicable in order to afford the disclosing party an opportunity to seek a protective order.

7.4 All written documents containing Confidential Information and other material in tangible form received by GSURF or Company under this Agreement shall remain the property of the disclosing party, and all such documents (together with any copies or excerpts thereof) shall be promptly returned to the disclosing party or destroyed upon request, provided that the receiving party may retain one archival copy of such Confidential Information for the sole purpose of determining its obligations hereunder.

Article 8. PATENT PROSECUTION AND MAINTENANCE

8.1 The prosecution and maintenance of the LICENSED PATENTS shall be the responsibility of GSURF. GSURF shall (i) provide COMPANY with copies of all filings and correspondence pertaining to such patent prosecution activities so as to give COMPANY reasonable opportunities to

advise GSURF and cooperate with GSURF in such prosecution and maintenance, and (ii) if applicable, provide COMPANY an opportunity to comment and advise GSURF on national phase filings and registrations in countries from regional filings. If COMPANY should fail to timely make reimbursement for patent expenses as required in Article 6 of this AGREEMENT, GSURF, in addition to their other remedies under the AGREEMENT, shall have no further obligation to prosecute or maintain such LICENSED PATENTS for which COMPANY failed to make timely reimbursement. COMPANY, upon ninety (90) days advance written notice to GSURF, may advise GSURF that it no longer wishes to pay expenses for filing, prosecuting or maintaining one or more LICENSED PATENTS. GSURF may, at its option, elect to pay such expenses or permit such LICENSED PATENTS to become abandoned or lapsed. If GSURF elects to pay such expenses, such LICENSED PATENT(S) shall no longer be subject to any option granted to COMPANY hereunder.

Article 9. DAMAGES AND INDEMNIFICATION

9.1 No Liability. GSURF SHALL NOT BE LIABLE TO COMPANY OR COMPANY'S AFFILIATES, OR CUSTOMERS OF COMPANY OR COMPANY'S AFFILIATES, FOR COMPENSATORY, SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR EXEMPLARY DAMAGES RESULTING FROM THE MANUFACTURE, TESTING, DESIGN, LABELING, OR USE OR SALE OF LICENSED PRODUCT.

9.2 Indemnification. COMPANY shall defend, indemnify, and hold harmless the INVENTORS, GSU, the Board of Regents of the University System of Georgia, GSURF, and their directors, officers, employees and students, and their heirs, executors, administrators, successors, and legal representatives, from and against any and all claims, demands, loss, liability, expense, or damage (including investigative costs, court costs and attorneys' fees) that any of the foregoing indemnitees may suffer, pay, or incur as a result of claims, demands or actions against any of the indemnitees arising or alleged to arise by reason of, or in connection with, any and all personal injury (including death) and property damage caused or contributed to, in whole or in part, by COMPANY'S or COMPANY'S Affiliates, contractors or agents manufacture, testing, design, use, sale, or labeling of any LICENSED PRODUCT or practice of the LICENSED PATENTS and LICENSED TECHNOLOGY. COMPANY'S obligations under this Article shall survive the expiration or termination of this Agreement for any reason.

Article 10. DILIGENCE

10.1 COMPANY shall use its best efforts to seek, identify, and secure funding and support to advance the development of a LICENSED PRODUCT and to complete the milestones listed in APPENDIX B according to the timeline set forth.

Article 11. GENERAL PROVISIONS

11.1 COMPANY shall obtain the prior written approval of GSURF prior to making use of GSURF, GSU, or the INVENTOR's name for any commercial purpose, except as required by law. As an

exception to the foregoing, both COMPANY and GSURF shall have the right to publicize the existence of this Agreement; however, neither COMPANY nor GSURF shall disclose the terms and conditions of this Agreement without the other party's consent, except as required by law, regulation or court order.

11.2 This AGREEMENT may not be assigned by COMPANY without the prior written consent of GSURF. However, COMPANY may assign any and all of the rights granted to it pursuant to this AGREEMENT to a successor of all or substantially all of its business to which this AGREEMENT relates without the approval from or prior notice to GSURF. COMPANY shall inform GSURF in writing of any such assignment within five (5) business days of such assignment.

11.3 This AGREEMENT constitutes the entire and only agreement between the parties relating to an option to negotiate a license and all prior negotiations, representations, agreements and understandings are hereby superseded. No agreements altering or supplementing the terms hereof may be made except by written, signed mutual agreement by the parties.

11.4 The relationship between GSURF and COMPANY is that of independent contractors. GSURF and COMPANY are not joint ventures, partners, principal and agent, master and servant, or employer or employee, and have no other relationship other than independent contracting parties. Neither party has any power to bind or obligate the other in any manner.

11.5 If any provision of this AGREEMENT is ultimately held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.

11.6 Any delay in enforcing a party's right under this AGREEMENT or any waiver as to a particular default or other matter will not constitute a waiver of such party's rights to the future enforcement of its rights under this AGREEMENT, except only as to an express written and signed waiver to a specific matter for a specific period of time.

11.7 Any notice required by this AGREEMENT will be given by personal delivery (including delivery by reputable messenger services such as United Parcel Services or Federal Express) or by prepaid, first class, certified mail, return receipt requested, addressed to the relevant party as indicated below or at such other addresses as may be given from time to time in accordance with the terms of this notice provision. All notices shall be deemed effective only upon receipt.

If to GSURF:

Georgia State University Research Foundation, Inc.
58 Edgewood Ave.
3rd Floor
Atlanta, Georgia 30303
Attn: Director, Office of Technology Transfer &
Commercialization

With a copy to:

Office of Legal Affairs
100 Auburn Ave. NE
Suite 315
Atlanta, GA 30303

Attn: University Attorney

Or in the case of COMPANY: _____

11.8 This AGREEMENT will be governed by, construed, and enforced in accordance with the laws of the State of Georgia without regard to conflicts of law principles. The parties agree that only state and federal courts in the State of Georgia, U.S.A. shall have jurisdiction and venue to hear and decide any controversy or claim between the parties arising under or relating to this Agreement.

11.9 Articles 3, 4.4, 6, 7, 9, 11.8 and 11.9 shall survive termination of this AGREEMENT for any reason.

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

[SIGNATURE PAGE FOLLOWS – REMAINDER OF PAGE INTENTIONALLY BLANK]

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IN WITNESS WHEREOF, GSURF and COMPANY have caused this Agreement to be signed by their duly authorized representatives as of the day and year indicated below.

**GEORGIA STATE UNIVERSITY
RESEARCH FOUNDATION, INC.**

COMPANY

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

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APPENDIX A

LICENSED PATENTS

TechID:

Application No.	Country/Type	Title	File Date

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APPENDIX B

DILIGENCE MILESTONES

Milestone	Date of Completion

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