

AGREEMENT FOR RELEASE OF INNOVATION RIGHTS AND ASSIGNMENT OF RIGHTS TO ROYALTIES

WHEREAS, _____ (referred to herein as “Innovators”) have conceived and disclosed to Auburn University intellectual property disclosure AU#XXXX-XXX entitled “_____”, (referred to herein as “Innovation”), the substance and entirety of which is attached hereto as “Exhibit A”; and

WHEREAS, the said Innovation was conceived and/or first reduced to practice under the auspices of Auburn University, a State of Alabama non-profit, tax-exempt, educational institution located in Auburn, Alabama (referred to herein as “AU”); and

WHEREAS, rights of the Innovators and AU in the Innovation are governed by the terms of the Auburn University Patent Policy, as approved by the Auburn University Board of Trustees in June of 2012; and

WHEREAS, AU has incurred expenses in the filing of patent application(s) drawn to the Innovation (referred to herein as “Patent Expenses”);

WHEREAS, pursuant to the Auburn University Patent Policy, AU has determined that it does not wish to participate in the sale or licensing of the Innovation, and that it is willing to release to the Innovators AU's interest therein, subject to Innovators' agreement to apply revenue received therefrom toward reimbursement of Patent Expenses (currently totaling \$ _____), and to assign to AU a smaller portion of such revenue thereafter; and

WHEREAS, revenue to be shared by Innovators with AU under this Agreement shall be limited to revenue (including equity) received from the licensing, sale or assignment of the Innovation (“Innovation Revenue”) and shall not include gross sales revenue or compensation to the Innovators for personal performance, such as salaries or consulting fees.

NOW, THEREFORE, the parties hereto agree as follows:

1. AU hereby releases and transfers to the Innovators, and to their heirs, executors, administrators and assigns, all of its right and interest in and to the Innovation as described in Exhibit A and in and to any and all copyrights and/or patents, whether United States or foreign, which at any time may be granted therefor, including any and all renewals, reissues and prolongations thereof (the "Copyrights and Patents").

2. The Innovators hereby agree to pay AU 50% of Innovation Revenue toward reimbursement of Patent Expenses until Patent Expenses have been completely reimbursed. Thereafter, the Innovators hereby assign to AU fifteen percent (15%) of Innovation Revenue. The Innovators agree, on behalf of themselves and their heirs, executors, administrators and assigns, to keep full, true, and accurate books of accounts containing all particulars that may be necessary for the purpose of showing the amounts payable to AU hereunder. The Innovators agree to provide to AU upon AU's written request accountings concerning the patenting, use, licensing, sublicensing, sale, transfer or assignment of the Innovation and the Copyrights and Patents, the terms thereof and the amounts due the Innovators and AU therefrom over the previous three (3) years, and such other information as AU may reasonably request. All payments to AU will be distributed according to standard procedures, except that Innovators will not receive a share of payments made to AU. The Innovators shall have the right to reassign the Innovation back to AU thereby releasing the Innovators from their obligations under this Agreement. Under such reassignment, AU will have the absolute right to any revenues received from the Innovation with no further obligation to the Innovators, except the Innovators, following such reassignment, shall be entitled to receive their portion of the innovators' share of any royalties AU distributes under the Auburn University Patent Policy.

3. The Innovators represent that they are the only inventors of the Innovation with an obligation to assign to AU. The Innovators further acknowledge that if other individuals have contributed to the Innovation, then the Innovators may need to obtain assignment or license agreements in order to gain full ownership or control of the Innovation. The Innovators hereby grant to AU and other non-profit and government institutions a perpetual irrevocable, non-exclusive, non-transferable, royalty-free license to practice said Innovation internally for educational and research purposes only.

4. Innovators agree to indemnify and hold AU and its trustees, directors, officers, employees and affiliates harmless from and against any and all claims, demands, liabilities, losses or causes of action of any kind related in any way to the production, marketing or commercialization of the Innovation.

5. Payment checks shall be made payable to "Auburn University" and payments and correspondence sent to:
Director for Commercialization
Office of Innovation Advancement and Commercialization
570 Devall Drive, Suite 102
Auburn, AL 36832

6. Innovators understand that said Innovation is being assigned to them for their own personal activities. AU does not have any responsibility to further develop the Innovation, and AU shall not be obligated to expend any additional funds, equipment, facilities or other resources. Innovators agree not to use any AU funds or participate in more than incidental use of AU equipment, facilities, or other resources to patent, market, license, sell or otherwise commercially develop said Innovation after execution of this Agreement without AU's prior written approval and full reimbursement of the costs of such use. The foregoing notwithstanding, Innovators are free to perform continued research relating to the Innovation. The rights of Innovators and AU in any improvements to the Innovation that fall outside that described in Exhibit A or new innovations stemming from this continued research that fall outside that described in Exhibit A will be governed by the terms of the Auburn University Patent Policy.

7. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS AGREEMENT, AU, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, AND AFFILIATES MAKE NO REPRESENTATIONS AND EXTEND NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR WARRANTY GIVEN BY AU THAT THE PRACTICE BY INNOVATORS OF THE INNOVATION GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF ANY THIRD PARTY. IN NO EVENT SHALL AU, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER AU SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY.

8. This Agreement may not be assigned without the prior written mutual consent of the parties. This Agreement may be executed in one (1) or more counterparts.

9. This Agreement shall be governed by the laws of the State of Alabama.

IN WITNESS WHEREOF, this release and assignment has been duly executed by AU and the Innovators as of the date set forth below.

INNOVATORS

AUBURN UNIVERSITY

By: _____
Name: _____
Date: _____

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

By: _____
Name: _____
Date: _____