

PLEASE DIRECT ANY QUESTIONS TO INVO at
INVLicensecompliance@northwestern.edu

NON-EXCLUSIVE EVALUATION OF PROTOTYPE LICENSE AGREEMENT

This AGREEMENT is dated _____, 20__ (the “**Effective Date**”) and is, between Northwestern University, a not-for-profit entity of the State of Illinois, located at 633 Clark Street, Evanston, IL 60208-3108 USA (“**Licensor**”), and _____, a _____ corporation (“**Company**”).

1. Definitions. For purposes of this Agreement, the following definitions apply:

- a. “**Affiliate**” means any corporation or other entity that, as of the Effective Date, directly or indirectly controls, is controlled by, or is under common control with, another corporation or entity. Control means direct or indirect ownership of, or other beneficial interest in, fifty percent (50%) or more of the voting stock, other voting interest, or income of a corporation or other entity.
- b. “**Cover**” or “**Covered By**” means (i) infringes, in the case of a claim in an issued patent, or (ii) would infringe the claim if it existed in an issued patent, in the case of a claim in a pending application.
- c. “**Designee**” means a person, corporation, or other entity that is employed by, under contract to, or in partnership with Company wherein such corporation or other entity is granted the right to make Products.
- d. “**FD&C Act**” means the United States Federal Food, Drug and Cosmetic Act, as the same may be amended from time to time.
- e. “**Materials**” means the tangible physical material, if any, delivered to Company hereunder. Any Materials delivered to Company hereunder will be listed in an Exhibit hereto.
- f. “**Patent**” or “**Patents**” means the following: (i) the United States and foreign patents and/or patent applications listed in Exhibit A to this Agreement; (ii) any non-provisional patent applications that claim priority to any provisional patent applications listed in Exhibit A to this Agreement; (iii) any claims of continuation-in-part applications that claim priority to the United States patent applications listed in Exhibit A, but only where such claims are directed to inventions disclosed in the manner provided in the first paragraph of 35 U.S.C. Section 112 in the United States patent applications listed in Exhibit A, and such claims in any patents issuing from such continuation-in-part applications; (iv) any rights corresponding to the foregoing in foreign patent applications, foreign patents or related foreign patent documents that claim priority to the patents and/or patent applications listed in Exhibit A; (v) any divisionals, continuations, reissues, re-examinations, renewals, substitutions, and extensions of the foregoing; and (vi) any patents issuing from the foregoing. Notwithstanding the preceding definition, Patent and Patents will not include any patents or patent applications based on research conducted after the Effective Date, except as otherwise agreed in a separate writing.

g. **“Product” or “Products”** means the product (i) Covered By the Patents, and/or (ii) that uses or incorporates, in whole or in part, the Technical Information or Materials.

h. **“Regulatory Authorities”** means federal, state, or local agencies or authorities responsible for regulation of the manufacture, sale, marketing, or distribution of the Products in the United States, including, without limitation, the the United States Food and Drug Administration or any successor entity thereto (the **“FDA”**).

i. **“Technical Information”** means Northwestern’s property interest in any know-how, technical information, and data which was each of the following: (i) developed by Northwestern by or under the direction of [insert NU names], (ii) developed before the Effective Date, (iii) provided to or received by Company, and (iv) necessary or useful for the discovery, development, manufacture, use, sale, offering for sale, importation, exportation, distribution, rental or lease of a Product.

Technical Information includes, but is not limited to, the following: (i) any know-how, technical information, and data disclosed in any Patent; (ii) any reports or disclosures concerning research or inventions provided or disclosed to, or otherwise received by, Company; and (iii) any information in Exhibit B to this Agreement.

j. **“Third Party”** means any entity or person other than Company, Designees, or their Affiliates.

2. License Grant.

a. **Grant.** Northwestern grants to Company, upon and subject to all the terms and conditions of this Agreement:

(i) a non-exclusive, no-cost license under the Patents to evaluate, manufacture, have made, and use Products;

(ii) a non-exclusive, no-cost license to use Technical Information to evaluate, manufacture, have made, and use Products; and

(iii) a non-exclusive, no-cost license to use Materials to evaluate, manufacture, have made, and use Products.

b. **Government Rights.** All rights and licenses granted by Northwestern to Company under this Agreement are subject to (i) any limitations imposed by the terms of any government grant, government contract or government cooperative agreement applicable to the technology that is the subject of this Agreement and (ii) applicable requirements of 35 U.S.C. Sections 200 et seq., as amended, and implementing regulations and policies.

c. **Reservation.** All rights not specifically granted herein are reserved to Northwestern. Except as expressly provided under this Section 2, no right or license is granted (expressly or by implication or estoppel) by Northwestern to Company or its Affiliates under any

tangible or intellectual property, materials, patent, patent application, trademark, copyright, trade secret, know-how, technical information, data or other proprietary rights.

d. **Improvements.** Northwestern shall own all improvements and modifications of the Product (collectively, "**Improvements**"), including those resulting from the input, feedback, or suggestions related to the Product (including, without limitation, design improvements) which Company may provide under Section 3a ("**Feedback**").

3. Feedback on the Products.

a. **Company may provide Feedback on the Products.** Company will endeavor, during the term of the Agreement, to provide design feedback on the Products to. Such Feedback may be provided by Company in oral or written form. Any Improvements to the Patents, Technical Information, Materials or Products based on such Feedback, will be automatically included within the licenses granted to Company under Section 2a.

4. Confidentiality.

a. **Confidential Information.** Except to the extent required to evaluate, manufacture, have made, or use Products, Company will treat as confidential the Patents, Materials, and Technical Information disclosed hereunder, and will not disclose or distribute the same to any third party without Northwestern's written permission.

b. **Exceptions.** The obligations of confidentiality under this Section 4 do not apply to any Patents, Materials, or Technical Information that Company can demonstrate was any of the following: (i) was known to Company before receipt thereof from Northwestern; (ii) was or became a matter of public information or publicly available through no act or failure to act on the part of Company; (iii) was acquired by Company from a third party entitled to disclose it to Company; or (iv) was discovered or developed independently by Company without reference to or use of such Patents, Materials, or Technical Information, as evidenced by contemporaneous written records.

c. **Defend Trade Secrets Act.** Defend Trade Secrets Act. Notwithstanding the foregoing, under 18 U.S.C. §1833(b), "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." Nothing in this Agreement or any Northwestern policy is intended to conflict with this statutory protection, and no Northwestern trustee, director, officer, or member of management has the authority to impose any practice

to the contrary.

5. Disclaimer of Warranty; Limitations of Liability; Waiver of Claims.

a. **Disclaimer.** Northwestern is licensing the Patents, Materials, Technical Information, and the subject of any other license hereunder, on an “as is” basis. Company hereby acknowledges the Products are experimental in nature and their characteristics and performance is not completely known. Northwestern makes no warranties either express or implied of any kind, and hereby expressly disclaims any warranties, representations or guarantees of any kind as to the Patents, Materials, Technical Information, Products and/or anything discovered, developed, manufactured and used under any license granted hereunder, including but not limited to: any warranties of merchantability, title, fitness, adequacy or suitability for a particular purpose, use or result; any warranties as to the validity of any patent; any warranties of freedom from infringement of any domestic or foreign patents, copyrights, trade secrets or other proprietary rights of any party; and any warranties that the Products will perform or comply with federal, state or municipal laws and regulations regarding medical supplies or medical uses, including without limitation the FD&C Act and cGMP.

b. **Limits of Liability.** Company is solely responsible and solely liable for Company’s and its officers, directors, employees, consultants, and agents actions under this Agreement. In no event will Northwestern, or its trustees, officers, faculty members, students, employees, and agents, have any liability to Company, Designees, or Affiliates of the foregoing, or any Third Party (collectively, the “Releasing Parties”) arising out of the use, operation or application of the Patents, Technical Information, Materials, Products, or anything evaluated, manufactured, and/or used under any license granted hereunder by Company, Designees or Affiliates of the foregoing, or any Third Party for any reason, including but not limited to, the unmerchantability, inadequacy or unsuitability of the Patents, Materials, Technical Information, Products and/or anything evaluated, manufactured, and/or used under any license granted hereunder for any particular purpose or to produce any particular result, or for any latent defects therein. For the sake of clarity, Company is solely responsible and solely liable for any claim asserted or any legal proceeding commenced against Northwestern where such claim or proceeding alleges that the practice or use of the Materials or Technical Information, Products, or anything evaluated, manufactured, and/or used under any license granted hereunder, including, without limitation, Company’s manufacture, sale, use or distribution of Products, infringes or has infringed any patent or other proprietary right of a Third Party.

c. **Damages.** On the one hand, in no event will Northwestern, or their trustees, officers, faculty members, students, employees, and agents, be liable to any Releasing Party, and on the other hand, in no event shall any Releasing Party be liable to Northwestern or any Third Party, for: any consequential, incidental, special or indirect damages (including, but not limited to, from any destruction to property or from any loss of use, revenue, profit, time or goodwill) based on activity arising out of or related to this Agreement, whether under a claim

for breach of contract or any other claim of any type.

d. **Waiver of Claims.** Each Releasing Party is solely responsible and solely liable for its, and its officers, directors, employees, consultants, and agents actions under this Agreement. Each Releasing Party agrees to waive any and all claims against Northwestern and its trustees, officers, faculty members, students, employees, and agents, related to any evaluation, making, manufacture or use of the Products, Patents, Technical Information, and Materials by each Releasing Party under this Agreement.

e. **Liability Limit.** In no event will Northwestern's total liability to the Company under this Agreement exceed \$500.

f. **Essentiality.** The parties hereto acknowledge that the limitations and exclusions of liability, disclaimers of warranty, and waiver of claims set forth in this Agreement form an essential basis of the bargain between the parties.

6. Prohibition Against Use of Northwestern's Name.

The Company will not use the name, logos, or symbols of Northwestern, its faculties or departments, or any variation or combination thereof, or the name of any trustee, faculty member, another employee, or student of Northwestern for any purpose whatsoever without Northwestern's prior written consent.

7. Compliance with Governmental Obligations.

a. **Regulations.** Notwithstanding any provision in this Agreement, Northwestern expressly disclaims any obligation or liability arising under this Agreement if Company or its Affiliates is charged in a governmental action for not complying with or fails to comply with governmental regulations in the course of the design, evaluation, inspection, manufacture, marketing, sale, delivery, distribution, or any other step to bring to a point of practical application of any Product.

b. **Request.** Company and its Affiliates shall comply upon reasonable notice from Northwestern with all governmental requests directed to either Northwestern or Company or its Affiliates and provide all information and assistance necessary to comply with the governmental requests.

c. **Compliance.** Company and its Affiliates shall, at all times during the term of this Agreement at their expense, (i) comply with all applicable federal, state, and local laws, rules and regulations, including, without limitation, the FD&C Act, and (ii) obtain, maintain, update and remain in compliance with all permits, licenses, authorizations, waivers, and approvals which are necessary or required under such laws or by all Regulatory Authorities, in each case, in connection with the manufacture, inspection, evaluation, sale, marketing or

distribution of the Products

8. Patent Prosecution and Maintenance; Litigation.

a. **Prosecution.** Northwestern, acting in its sole discretion, by its counsel, will prepare, file, prosecute and maintain all Patents in Northwestern's name.

b. **Litigation.** Northwestern will have the sole right to initiate, control, defend and/or settle any proceedings involving the validity, enforceability, or infringement of any Patents when, in its sole judgment, such action may be necessary, proper, and justified.

9. Indemnification and Insurance.

a. **Indemnification.** The Company shall indemnify, defend, and hold harmless Northwestern, its trustees, officers, faculty, employees, students and agents, from and against any and all actions, suits, claims, demands, prosecutions, liabilities, costs, expenses, damages, deficiencies, losses or obligations (including attorneys' fees) arising out of or relating to this Agreement, including, Company's and its Affiliates use of Products, Patents, Materials or Technical Information, and any representation made or warranty given by the Company or its Affiliates with respect to Products. For the avoidance of doubt, Company's indemnification obligations in this Section shall include, without limitation, any Losses arising from or claimed by any employee or agent of Company arising out of or relating to any of the matters described in this Section. The Company shall reimburse Northwestern for the actual fees, costs, and expenses (including attorneys' fees) that it may incur in enforcing this provision.

b. **Insurance.** Company shall maintain commercial general liability insurance with reputable and financially secure insurance carriers reasonably acceptable to Northwestern to cover the activities of Company and their Affiliates, and its and their respective employees and agents, for minimum limits of \$5,000,000 combined single limit for bodily injury and property damage per occurrence and in the aggregate. Company's insurance to be written to cover claims incurred during the term of this Agreement. The minimum amounts of insurance coverage required herein will not be construed as creating any limitation on the Company's indemnity obligation under Section 9a of this Agreement.

c. **Compliance.** Company shall at all times comply with all statutory workers' compensation and employers' liability requirements covering its employees with respect to activities performed under this Agreement.

10. Export Control Laws.

a. This Agreement is made subject to the laws and regulations concerning the export and re-export of products, services or technical information that the U.S. government may impose from time to time, and to exceptions thereunder, such as those applying to Fundamental Research, pursuant to the ITAR (22 CFR 12.11) and the EAR (15 CFR 734.8) and that it is anticipated that no export controlled information or materials will be

exchanged or generated in the course of this Agreement. If an export license is required, Company agrees to pay any fees or expenses incurred by Northwestern or Company to obtain an export license. Company agrees that it will not disclose or re-export any Products to any countries for which the U.S. Government requires an export license, without any required license.

11. Breach and Cure.

a. **Breach.** In addition to applicable legal standards, Company will be deemed to be in material breach for: (i) failure to comply with governmental requests directed to Northwestern or Company under Section 7b; (ii) failure to obtain and maintain insurance in the amount and of the type provided for in Section 9; and (iii) failure to comply with the Export Laws under Section 10.

b. **Cure.** Either party will have the right to cure its material breach. The cure shall be effected within a reasonable period of time but in no event later than thirty (30) days after notice of any breach given by the non-breaching party.

12. Term of Agreement.

a. **Effective.** This Agreement is effective as of the Effective Date and continues in effect until its expiration or termination under this Section 12.

b. **Term.** Unless terminated earlier under any provision of this Agreement, the term of this Agreement is twelve (12) months from the Effective Date.

c. **Termination by Northwestern.** This Agreement may be terminated by Northwestern: (i) for any reason or no reason at any time after 60 days from the Effective Date upon written notice to Company, (ii) upon written notice to Company for Company's material breach of the Agreement and Company's failure to cure such material breach under Section 11b; (ii) if Company becomes insolvent or is generally not paying its debts as such debts become due; and (iii) if Company ceases to conduct business as a going concern. Termination under this Section 12c will be effective upon the date of notice sent under Section 13.

d. **Survival.** 2d (Improvements), 4 (Confidentiality), 5 (Disclaimer), 6 (Use of Name), 7 (Compliance), 9 (Indemnification and Insurance), 10 (Export Control), 12d (Survival), 12e (Accrued Rights and Obligations), 13 (Notices), 15 (Waiver and Election of Remedies), 18 (Entire Agreement), 19 (Severability), and 21 (Governing Law) will survive any termination or expiration of this Agreement.

e. **Accrued Rights and Obligations.** Any termination of this Agreement will not adversely affect any rights or obligations that may have accrued to either party before the date of termination.

13. **Notices.** Any notice required or permitted to be given under this Agreement will be sufficient if in writing and will be considered given (a) when mailed by certified mail (return receipt requested), postage prepaid, or (b) on the date of actual delivery by hand or overnight delivery, with receipt acknowledged,

if to Northwestern, to: Executive Director
Northwestern University

copy to: John E. Haugen
Office of General Counsel
Northwestern University
john.haugen@northwestern.edu

if to Company, to: [Address provided by Company in the course of
accessing this license]

14. **Assignment.** This Agreement and all rights and obligations hereunder may not be assigned by either party without the written consent of the other party. Any attempt to assign without compliance with this provision will be void.

15. **Waiver and Election of Remedies.** The failure of any party to insist upon strict adherence to any term of this Agreement on any occasion will not be considered a waiver or deprive that party thereafter of the right to insist upon strict adherence to that term or any other term of this Agreement.

16. **Binding on Successors.** This Agreement will be binding upon and inure to the benefit of the parties and their respective successors and assigns to the extent assignment is permitted under this Agreement.

17. **Independent Contractors.** It is the express intention of the parties that the relationship between Northwestern and Company will be that of independent contractors and will not be that of agents, partners, or joint venturers. Nothing in this Agreement is intended or will be construed to permit or authorize either party to incur, or represent that it has the power to incur, any obligation or liability on behalf of the other party.

18. **Entire Agreement; Amendment.** This Agreement, together with the Exhibits, sets forth the entire agreement between the parties concerning the subject matter hereof. This Agreement may be amended only by a written agreement duly executed by the parties.

19. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable because it is invalid, illegal or unenforceable, the validity of the remaining provisions will not be affected, and the rights and obligations of the parties will be

construed and enforced as if the Agreement did not contain the particular provisions held to be unenforceable, unless such construction would materially alter the meaning of this Agreement.

20. **No Third-Party Beneficiaries.** Except as expressly set forth herein, the parties hereto agree that there are no third-party beneficiaries of any kind to this Agreement.

21. **Governing Law.** This Agreement is governed by and construed under the internal substantive laws of the State of Illinois as is applicable to agreements made and wholly performed within the State of Illinois, and without reference to the conflict or choice of laws principles of any jurisdiction. The parties agree that any and all claims arising under this Agreement or relating thereto shall be heard and determined either in the United States District Court for the Northern District of Illinois or in the Courts of the State of Illinois located in Cook County, Illinois, and the parties agree to submit themselves to the personal jurisdiction of those Courts and to waive any objections as to the convenience of the forum.

22. **Execution in Counterparts; Facsimile or Electronic Transmission.** This Agreement may be executed in counterparts and by facsimile or electronic transmission. This Agreement is not binding on the parties until it has been signed below on behalf of each party.

IN WITNESS WHEREOF, Northwestern and Company have caused this Agreement to be executed by their duly authorized representatives as of the day and year that is first written above.

COMPANY

By: _____

Name: _____

Title: _____

Date: _____

NORTHWESTERN UNIVERSITY

By: _____

Name: _____

Title: _____

Date: _____

TEMPLATE