

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH LICENSE AGREEMENT

RECITALS

The Effective Date of this Agreement is February 13, 2002.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH, a Minnesota charitable corporation, located at 200 First Street SW, Rochester, Minnesota 55905-0001 ("MAYO") and

UNIVERSITY OF PUERTO RICO, an academic institution, located at Mayaguez, Puerto Rico ("LICENSEE").

MAYO and LICENSEE will be referred to herein as ("Party or Parties, as applicable"). MAYO is the owner of United States Patents No. 5,691,175; 5,681,701 and 5,693,511 and desires to make such patents available to non-profit entities under a royalty-free license for non-commercial research purposes. The conditions described below are necessary to insure that the Cell Line protected by these patents is used solely for research and that MAYO's interests in any possible commercialization of the Cell Line is protected. These conditions are:

Article 1. Definitions

- 1.3 **"Affiliate"**: any corporation or other entity within the same "controlled group of corporations" as MAYO or its parent corporation Mayo Foundation. For purposes of this Agreement, the term "controlled group of corporations" shall have the same definition as Section 1563 of the Internal Revenue Code, but shall include corporations or other entities which, if not a stock corporation, more than 50% of the board of directors or other governing body of such corporation or other entity is controlled by a corporation within the controlled group of corporations of MAYO or Mayo Foundation. MAYO's Affiliates include, but are not limited to: MAYO Foundation; Mayo Clinic Rochester; Mayo Collaborative Services, Inc.; Rochester Methodist Hospital; Saint Mary's Hospital; Mayo Clinic Jacksonville, Florida; St. Luke's Hospital, Jacksonville, Florida; Mayo Clinic Arizona; Mayo Clinic Hospital, Arizona; MAYO Regional Practices, P. C., Decorah, Iowa; and Mayo Regional Practices of Wisconsin, Ltd. And controlled and wholly-owned subsidiary corporations of all of the above.
- 1.2 **"Cell Line"**: means human fetal osteoblastic cell line ATCC CRL-11372
- 1.3 **"Government Rights"**: rights, if any, of the United States Government in the Patents.
- 1.4 **"Material Breach" includes:**

- (a) public use by the LICENSEE for publicity, promotion, or otherwise, any logo, name, trade name, service mark, or trademark of MAYO or its Affiliates, without MAYO's prior, written, express consent pursuant to Section 2.3;
- (b) conviction of the LICENSEE or any of its directors or officers of a felony relating to the use of the Cell Line
- (c) failure of LICENSEE to adequately to insure against any obligations arising out of Article 8; or
- (d) failure of LICENSEE to notify MAYO of development of potentially commercial products using the Cell Line.

1.5 **“Patents”**: U.S. Patent No. 5,691,175; 5,681,701 and 5,693,511.

1.6 **“Term”**: as defined in Section 4.1 of the Agreement.

1.7 **“Territory”**: LICENSEE research facilities located in Mayaguez, Puerto Rico.

Article 2 – License Grant

2.1 **License Grant.** Subject to Government Rights, MAYO grants to the LICENSEE a royalty-free, nonexclusive license, without the right to sublicense, under the Patents to use the Cell Line within the Territory for internal research and development purposes only. Furthermore, the Cell Line can only be used for animal (non-food) or for in-vitro research experimentation in compliance with all applicable laws and regulations.

2.2 **Commercial/Research Development.** Except for obligations to the U.S. government resulting from federally funded research, the LICENSEE agrees that the Cell Line will not be used in research with a third party without the prior written consent of MAYO. If LICENSEE desires to use the Cell Line for profit-making or commercial purposes, LICENSEE agrees that it must first negotiate a royalty bearing license or other appropriate agreement with MAYO, and it is further understood by LICENSEE that MAYO shall have no obligation to enter into such a license or agreement and in fact may grant exclusive to non-exclusive commercial licenses to others.

2.3 **Use of MAYO Name or Logo.** License of the Patents does not convey to LICENSEE any right to use any MAYO names or logos. LICENSEE may not use publicly for publicity, promotion, or otherwise, any logo, name, trade name, service mark, or trademark of MAYO or its Affiliates, including, but not limited to, the terms "MAYO®, " "MAYO Clinic®," or any simulation, abbreviation, or adaptation of the same, or the name of any MAYO employee or agent, without MAYO's prior, written, express consent. LICENSEE will not register nor attempt to register in any jurisdiction in the world any trademark or servicemark that includes the word

“MAYO” in any language or alphabet, or that includes any word or symbol confusingly similar to that of MAYO’s marks, nor shall LICENSEE use any such word or mark in commerce anywhere in the world without Mayo’s prior, express, written consent.

Article 3 - Term and Termination

3.1 **Term.** The term of this Agreement is for term of the Patents.

3.2 **Termination:**

- (a) MAYO shall be entitled to terminate this Agreement at any time based upon a Material Breach by the LICENSEE by delivery of notice on the LICENSEE claiming such Material Breach. MAYO may in its sole discretion grant LICENSEE the opportunity to cure the Material Breach.
- (b) LICENSEE shall be entitled to terminate this Agreement at any time by giving ninety (90) days written notice to MAYO.
- (c) Unless sooner terminated, the Agreement shall expire upon the expiration date of the Term.

Article 4 - Post-Termination Obligations

4.1 **Survival.** The following obligations survive the termination of this Agreement: Articles 4 and 7 and Sections 2.3, and 6.4.

4.2 **Rights Not Exclusive.** All rights to terminate, and rights upon termination, provided for in this Agreement are in addition to other remedies in law or equity which may be available to either Party. LICENSEE agrees to do all things and acts reasonably necessary to ensure that reversion of all exclusivity rights pursuant to the Agreement take place promptly.

Article 5 - Patent Litigation

5.1 **Third Party Litigation.** In the event of the institution of any suit by a third party against LICENSEE for patent infringement involving the practice of the Patents anywhere in the Territory, LICENSEE shall promptly notify MAYO in writing.

5.2 **Infringement by Third Party.** If at any time a third party shall infringe, or threaten to infringe, the Patents, and such infringement comes to the attention of LICENSEE, LICENSEE shall promptly notify MAYO in writing.

Article 6 - Warranties.

6.1 **Power.** Each Party is duly organized and validly existing under the laws of the jurisdiction of its formation and has full power and authority to enter into the Agreement and carry out the provisions thereof.

6.2 **Due Authorization.** Each Party is duly authorized to execute and deliver this Agreement and to perform the obligations thereunder.

6.3 **Binding Agreement.** This Agreement is a legal and valid obligation of each Party and the execution, delivery and performance of this Agreement by such Party does not and will not conflict with any agreement, instrument or understanding, oral or written, to which it is a Party or to which it may be bound, nor violate any Applicable Laws.

6.4 **Disclaimer of Warranties.** EXCEPT AS OTHERWISE SET FORTH IN THIS AGREEMENT, MAYO MAKES NO REPRESENTATIONS NOR WARRANTIES NOR CONDITIONS OF ANY NATURE, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, REGARDING THE MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, SUITABILITY, DURABILITY, CONDITION, QUALITY, OR ANY OTHER CHARACTERISTIC OF THE PATENTS OR THE CELL LINE. THE LICENSEE TAKES THE PATENTS "AS IS," "WITH ALL FAULTS," AND "WITH ALL DEFECTS," AND EXPRESSLY WAIVES ALL RIGHTS TO MAKE ANY CLAIM WHATSOEVER AGAINST MAYO OR ITS AFFILIATES FOR MISREPRESENTATION OR FOR BREACH OF PROMISE, GUARANTEE, OR WARRANTY OF ANY KIND RELATING TO THE PATENTS OR THE CELL LINE.

Article 7 - Indemnification and Insurance

7.1 **Indemnification by LICENSEE.** To the extent permitted by applicable law, the LICENSEE shall defend, indemnify, and hold harmless MAYO and its Affiliates, its officers, directors, trustees, employees, contractors and subcontractors, agents, sublicensees, successors and assigns (the MAYO Indemnitees) from and against all loss, damage or liability, (including interest and penalties and reasonable attorneys' fees) and settlements resulting from or arising out of: (1) LICENSEE's use of the Cell Line, and any use of the Patents and (2) any negligent or intentional act by LICENSEE, its officers, directors, shareholders, employees, Affiliates, agents, successors and assigns.

7.2 **Procedures for Indemnification.** In the event that MAYO seeks indemnification under this Agreement, MAYO shall inform LICENSEE of the claim as soon as practicable after it receives notice of the claim, shall permit LICENSEE to assume direction and control of the defense of the claim (including the right to settle the claim solely for monetary consideration) and shall cooperate as requested at the expense of the LICENSEE in the defense of the claim. Notwithstanding the foregoing, MAYO shall be entitled to be represented, at its own cost, by

counsel of its own choosing.

7.3 **Insurance.** During the Term and for a period of five (5) years thereafter, LICENSEE warrants that it shall maintain at its sole cost and expense, insurance, reserves or other financial resources in amounts which are reasonable and customary in the industry of LICENSEE for institutions of comparable size and activities to fulfill its indemnification obligations under Section 7.2. Such insurance, reserves or resources shall insure against all liability, including product liability, personal liability, physical injury or property damage and shall be available to compensate MAYO as required by this Section 7.3.

7.4 **Waiver of Subrogation.** The LICENSEE expressly waives any right of subrogation that it may have against MAYO resulting from any claim, demand, liability, judgment, settlement, costs, fees (including attorney's fees), and expenses for which the LICENSEE has agreed to indemnify MAYO and its Affiliates or hold MAYO and its Affiliates harmless under this Article of this Agreement.

7.5 **Additional Waivers.** THE LICENSEE AGREES THAT MAYO SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE TO LICENSEE, INCLUDING ANY LIABILITY OF ANY KIND. IN NO EVENT WILL MAYO HAVE ANY LIABILITY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR DAMAGES, EVEN IF MAYO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

Article 8 - General Provisions.

8.1 **Assignment.** This Agreement and the licenses herein shall be binding upon the Parties and to inure to the benefit of the successors and assigns of the Parties. The LICENSEE is strictly prohibited from assigning any of its obligations or rights under this Agreement without MAYO's prior, express, written consent, which consent may be withheld in MAYO's sole discretion. Any other attempted assignment is void. This Agreement is personal to the LICENSEE.

8.2 **Waiver.** No part of this Agreement may be waived except by the further written agreement of the Parties. Forbearance in any form from demanding the performance of a duty owed under this Agreement is not a waiver of that duty. Until complete performance of a duty owed under this Agreement is accomplished, the Party to which that duty is owed may invoke any remedy under this Agreement or under law, despite its past forbearance in demanding performance of that duty.

8.3 **Headings and References.** The headings of articles and sections used in this document are for convenience of reference only, and shall not affect the meaning or interpretation of this Agreement unless the context requires otherwise. All references to this Agreement to any exhibit or appendix shall be deemed and construed as references to a section of, an exhibit or appendix to this Agreement and any such exhibits or Appendices and hereby are incorporated in this Agreement by such reference.

8.5 **Notices.** Any notice required to be given under this Agreement is properly provided if in writing and either delivered personally or sent by express or certified mail, postage prepaid, or by facsimile transmission to the Parties at the following addresses, unless other addresses are provided consistent with this Section:

If to MAYO:

MAYO Foundation for Medical Education and Research
200 First Street SW
Rochester, Minnesota 55905-0001
Attn: Office of Technology Commercialization, Mayo Medical Ventures
Telephone: 507-284-8878
Facsimile: 507-284-5410

If to LICENSEE:

Office of the Chancellor
University of Puerto Rico
Mayaguez, Puerto Rico 00680
Attention: Professor Pablo Rodríguez
Telephone: 787-832-4040 X3135
Facsimile: 787-834-3031

Unless otherwise expressly specified in this Agreement, notices sent by mail are considered effective upon the earlier of: the fifth (5th) day after dispatch or the tenth (10th) day after dispatch if dispatched by air mail other than in the United States or the day of actual receipt if by express mail, certified mail or facsimile. Notices personally delivered are considered effective upon the date of delivery. It is the responsibility of the Party giving notice to obtain a receipt for delivery of the notice, if that Party considers such a receipt advisable.

8.6 **Limitation of Rights Created.** This Agreement is intended only to benefit the Parties. They have no intention to create any interests for any other Party.

8.7 **Independent Contractors.** In the performance of their respective duties under this Agreement, the Parties are independent contractors of each other. Neither is the agent, employee, or servant of the other. Each is responsible only for its own conduct.

8.8 **Entire Agreement.** This document states the entire Agreement between the parties about its subject matter. All past and contemporaneous discussions, agreements, proposals, promises, warranties, representations, guarantees, correspondence, and understandings, whether oral or written, formal or informal, are entirely superseded by this Agreement.

8.9 **Unenforceable Provision.** The unenforceability of any part of this Agreement will not affect any other part. This Agreement will be construed as if the unenforceable parts had been omitted.

8.10 **Changes to Agreement.** No part of this Agreement, including this Section 8.10, may be changed except in a writing, which is signed by both Parties.

8.11 **Construction.** That one Party or the other may have drafted all or a part of this Agreement will not cause this Agreement to be read more strictly against the drafting Party. This Agreement, and any changes to it, will be interpreted on the basis that both parties contributed equally to the drafting of each of its parts.

8.12 **Nondisclosure.** Neither Party shall disclose any of the terms of this Agreement without the express, prior, written consent of the other Party, or unless required by applicable Laws.

8.13 **Force Majeure.** If the performance of any part of this Agreement by either Party, including the performance of any research, or of any obligation under this Agreement, is prevented, restricted, interfered with or delayed by reason of any cause beyond the reasonable control of the Party liable to perform, unless conclusive evidence to the contrary is provided, the Party so affected shall, upon giving written notice to the other Party, be excused from such performance to the extent of such prevention, restriction, interference or delay, provided that the affected Party shall use its reasonable best efforts to avoid or remove such causes of affected Party shall use its reasonable best efforts to avoid or remove such causes of non-performance and shall continue performance with the most utmost dispatch whenever such causes are removed. When such circumstances arise, the Parties shall discuss what, if any, modification of the terms of this Agreement may be required in order to arrive at an equitable solution.

8.14 **Recordation.** Each Party shall have the right during the term of this Agreement to record or register this Agreement in any patent office or other appropriate facility anywhere in the Territory, and the other Party shall provide reasonable assistance in effecting such recording.

8.15 **Counterparts.** This Agreement shall become binding as of the Effective Date when any one or more counterparts hereof, individually or taken together, shall bear the signatures of each of the Parties hereto. This Agreement may be executed in any number of counterparts, each of which shall be an original as against any Party whose signature appears thereon but all of which together shall constitute but one and the same instrument.

MAYO FOUNDATION FOR MEDICAL EDUCATION AND RESEARCH:

Signed: _____

Printed Name: _____

Title: _____

Date: _____

LICENSEE:

Signed: 

Printed Name: Professor Pablo Rodríguez

PR

Title: Chancellor, University of Puerto Rico, Mayaguez

Date: May 30, 2002