

# MASTER SPONSORED RESEARCH AGREEMENT

HP: Hewlett Packard

Address: 3000 Hooover Palo Alto CA

Hewlett Packard Division: Hewlett Packard Caribe LTD

Address: PO Box 4048 Aguadilla, PR

University: University of Puerto Rico at Mayagüez

Address: PO Box 9043 Mayagüez, PR 00681

Effective Date: August 1, 2000

## RECITALS

A. HP, through the Hewlett Packard Caribe LTD Division, desires to contribute to the advancement of science and higher education. HP so desires to sponsor research projects of interest to HP business. HP also desires to use the results of such research projects in HP business.

B. University desires to engage in research projects to provide educational opportunities for its students and to contribute to the advancement of science.

C. The parties desire by this Agreement to establish a joint research program between HP and University and to set out the legal rights and interests of the parties respecting such joint research.

## THE PARTIES THEREFORE AGREE:

### 1. Definitions

1.1 "Intellectual Property" means any potentially patentable idea conceived and reduced to practice under the Project Specification of this research agreement and shall also include any software (whether patentable or copyrightable) conceived and reduced to practice under the Project Specification of this research agreement.

1.2 "Background IP" means any intellectual property existing prior to or during the Research Project not arising from a Research Project regardless of when or by whom the intellectual property was created.

1.3 "Project Results" means (a) any tangible item, such as a document (in any recorded form), a computer program, a database or knowledge base, or a piece of equipment and

(b) any intangible item such as data, information, ideas and concepts whether or not patentable arising from any stage of a Research Project.

1.4 "Research Project Specification" means a document in the form of Exhibit 1 defining a Research Project.

1.5 "Research Project" means a project undertaken by the parties in accordance with a Research Project Specification.

1.6 "University Personnel" means any faculty member or other person employed by the University and any graduate student of the University.

## 2. Research Projects

2.1 Research Project Specification. HP, and University hereby establish a cooperative research program. This research program may involve more than one Research Project. Either party may propose research projects from time to time. When one party proposes a Research Project the parties will confer. If they agree to the Research Project they will prepare a written Research Project Specification in the form of Exhibit 1. When both parties have signed the Research Project Specification, it will become a part of this Agreement. Any changes in a Research Project Specification, including a change of the principal investigator, will be effective only upon the mutual written consent of the parties.

2.2 Reports and Technology Transfer. University will provide HP regular reports on the progress of each Research Project and a report upon conclusion or termination of a Research Project. In addition, University will provide HP with copies of any technical reports arising from a Research Project. University will transfer the technology of the Research Project to HP and will provide reasonable support to HP as needed to ensure the success of the technology transfer so that HP can use the results of the Research Project in HP business.

2.3 Research Project Duration. The duration of a Research Project will be stated in the Research Project Specification. Research Projects may be terminated early or extended by agreement of the parties. Either party may unilaterally terminate its participation in any Research Project at any time upon giving at least ninety days prior written notice. If HP terminates its sponsorship of a Research Project, HP will pay all costs up through the termination date and all non-cancelable obligations made by University before receipt of notice of termination, even if they extend beyond the termination date. If University terminates its participation in a Research Project, HP will pay all costs up through the termination date.

2.4 Research Project Funding. The Research Project Specification will include a budget

that states HP financial obligation in cash and equipment for that Research Project. The budget will be designed to reimburse University for its direct and indirect costs of conducting the Research Project. University will endeavor to perform the Research Project within the budget. If the budgeted amount is exhausted but the Research Project is not completed, the parties may by written agreement provide for additional funding. In the absence of such an agreement, neither party is obligated to provide any additional funds for the Research Project.

### 3. HP Equipment

3.1 Ownership of HP Equipment. University will own any equipment and other items purchased with funds provided by HP. University will own any equipment furnished by HP in partial satisfaction of HP financial obligation to fund a Research Project. HP will own any equipment that HP loans to the University for use in a Research Project, and such loaned equipment will be returned to HP upon the conclusion of the Research Project.

3.2 Maintenance and Risk of Loss. The parties may provide in the Project Specification for maintenance, damage and loss of HP equipment in a Research Project. If the parties make no provision for such matters, then the party having physical possession of the equipment will be responsible for maintenance, damage and loss.

### 4. Visiting Scientists

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The Hewlett Packard may send one or more HP employees, as identified in a Project Specification, as visiting scientists to work in the University's facilities under the direction of the Principal Investigator. Similarly, University may send University Personnel, as identified in a Project Specification, as visiting scientists to work in HP facilities. The technical qualifications of each visiting scientist will meet the receiving party's reasonable requirements. Each visiting scientist will remain an employee of the sending party and will be treated as such in terms of salary, worker's compensation, taxes, employee benefits and obligations. Unless the parties agree otherwise, the receiving party at its expense will provide a computer workstation, computer network connection, and office facilities for each visiting scientist, and the sending party will pay all other costs incurred by the visiting scientist.

### 5. Intellectual Property

5.1 Research Project Participants. University will only permit University Personnel to work on a Research Project. University will ensure that all University Personnel associated with a Research Project have been made fully aware of the terms of this Agreement and the applicable Project Specification. University will obtain written agreements respecting confidentiality and ownership of intellectual property with all

University Personnel associated with a Research Project sufficient to enable University to meet its obligations to HP under this Agreement.

## 5.2. Confidential Information

5.2.1 Either party may from time to time disclose confidential information to the other in connection with a Research Project. The recipient of such information will use it only for that Research Project and will protect the information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the information as the recipient uses to protect its own confidential information of like nature.

5.2.2 The obligation to keep information confidential will only extend to confidential information that (a) is marked as confidential at the time of disclosure or (b) is unmarked (e.g. orally disclosed) but treated as confidential at the time of disclosure and designated as confidential in a written memorandum within thirty days of disclosure, summarizing the confidential information sufficiently for identification.

5.2.3. The obligation to keep information confidential will expire three years after the date the information was disclosed. The obligation to keep information confidential does not extend to any information that was in the recipient's possession before receipt from the discloser, or that is or becomes a matter of public knowledge through no fault of the recipient, or that is rightfully received by the recipient from a third party without a duty of confidentiality, or that is independently developed by the recipient, or that is disclosed to a third party by the discloser without any duty of confidentiality on the third party, or that is disclosed under operation of law.

5.2.4 If any University Personnel visit the premises of HP, or if any HP employee visits the premises of the University, in connection with the Research Project, any information input made by such visitor into any work or business of the visited party not covered by the research program may be taken by such visited party to be non-confidential unless explicitly otherwise indicated prior to the input being given. Any information regarding any work or business of the visited party not covered by the Research Project the visitor is involved in and that the visitor may learn whilst visiting, will be treated by the visitor and the visiting party as confidential information of the visited party unless otherwise informed by the visited party.

5.2.5 Hewlett Packard may communicate any confidential information received under this Agreement to other HP divisions and to HP subsidiaries. Any such

subsidiary will be bound by the terms of this Agreement respecting such information.

### 5.3 Rights in Data and Publication

5.3.1 A party desiring to publish or otherwise disclose any research performed under this Agreement will submit a copy of its proposed publication to the other party at least thirty days prior to submission for publication or public disclosure. The other party will then have thirty days to review the proposed publication for the limited purpose of determining whether the proposed publication discloses patentable subject matter or confidential information belonging to the reviewing party. If the reviewing party does not respond within thirty days, the publishing party may proceed with publication or public disclosure. If the reviewing party determines that the proposed publication contains patentable subject matter, the publishing party will either remove such subject matter or delay publication or public disclosure for up to six months to permit the reviewing party to file a patent application. If the reviewing party determines that the proposed publication contains confidential information, the publishing party will delete such information prior to publication or public disclosure.

5.3.2 Each party will acknowledge the contributions of the other in any publication, as scientifically and professionally appropriate.

### 5.4 Background IP

5.4.1 At the earliest opportunity during discussions concerning a proposed Research Project, University will notify HP of any Background IP of which relevant University personnel related to the Research Project are aware that may be relevant to the Research Project. Relevant University personnel include the Principal Investigator and personnel under his/her direction in the Research Project. If at any time during a Research Project, relevant University personnel become aware of any such Background IP, University will promptly notify HP thereof.

5.4.2 Neither party will knowingly use Background IP in a Research Project unless the other party gives written permission.

5.4.3 Except as otherwise agreed by the parties with respect to a particular Research Project, University hereby grants HP a non-exclusive, world-wide, perpetual, irrevocable, paid-up, royalty-free license in Background IP relevant to the Research Project and owned or controlled by University, this license being of sufficient scope to permit HP to fully exercise its rights in Joint and University Intellectual Property arising from each Research Project; the license includes the

right to make, have made, use, offer to sell, sell and import products; the right to practice methods; and in the case of software the right to reproduce, make derivative works, publicly distribute, publicly perform, publicly display and sublicense end users to use. The license includes a limited right of sublicense to enable third parties to include in their products features that interoperate with HP products. An example of such a feature is a driver for an HP printer.

## 5.5 Inventions and Software

5.5.1 Duty of Disclosure. Each party will require each person who works on a Research Project promptly to disclose to that party all inventions and software (whether or not patentable) conceived or reduced to practice by that person in the course of the Research Project.

5.5.2 Project Review Meetings. The parties will conduct a project review meeting at the end of each phase of a Research Project and at the conclusion or termination of the Research Project, but in no event less often than annually. During the project review meeting the parties will prepare a summary list of all inventions and software arising from the Research Project and not considered in any previous project review meeting. Each item on the list will be identified as either Hewlett Packard Property, Joint Intellectual Property, or University Intellectual Property according to whether it was created solely by HP employees, jointly by HP employees and University Personnel, or solely by University Personnel, respectively.

5.5.3 Disposition of HP Intellectual Property. All listed items identified as HP Intellectual Property will belong to HP hereby grants University a non-exclusive, royalty-free, paid-up, perpetual, irrevocable, worldwide license to use all such items for the purposes set forth in paragraph 5.6 below.

5.5.4 Disposition of Joint Intellectual Property. All items listed as Joint Intellectual Property will belong to both parties. Each party may exploit any such item with no duty to account to the other except as provided in this paragraph.

5.5.4.1 Within ninety days after the project review meeting, HP will notify University in writing that HP either does or does not desire an exclusive license in any listed item. If HP fails to give such notice respecting any listed item, it will be presumed that HP does not desire an exclusive license therein.

5.5.4.2 University will not disclose or offer to license any listed item to any third party within the ninety-day period.

5.5.4.3 After the expiration of the ninety-day period, University may disclose or license (on a non-exclusive basis) any listed item in which HP does not desire an exclusive license to any third party on any terms University desires.

5.5.4.4 University will not disclose or offer to license to any third party any listed item in which HP desires an exclusive license for a period of 180 days after the project review meeting. If the parties do not agree on the terms of such license during that period, University may disclose or license (on a non-exclusive basis) the item to any third party on any terms University desires.

5.5.4.5 If the parties agree on an exclusive license in an item of Joint Intellectual Property, HP will inform University whether HP desires the license to be backed up by patent or in the case of software by copyright (or both). If HP desires copyright protection, University will register a claim of copyright at HP expense. If HP desires patent protection, HP will inform University of the countries in which HP desires such protection and University will apply for patent protection in those countries at HP expense. HP may at any time inform University that HP will no longer pay for patent prosecution or maintenance in any country. In such event HP will no longer be entitled to an exclusive license in that country and University will have no obligation to continue to apply for or maintain the patent in such country.

5.5.4.6 Either party may at its expense apply for patent protection on any item of Joint Intellectual Property in any country in which HP has not elected an exclusive license or in which HP has elected not to continue paying for patent prosecution or maintenance. However, the parties will endeavor to cooperate in preparing, filing and prosecuting any such patent applications. At a minimum each party will consult with the other prior to filing any such patent application.

5.5.4.7 Unless otherwise agreed with respect to a particular license, any exclusive license granted to HP hereunder will include the right to make, have made, use, offer to sell, sell and import products; the right to practice methods; and in the case of software, the right to reproduce, make derivative works, publicly distribute, publicly perform, publicly display and sublicense end users to use.

5.5.5 Disposition of University Intellectual Property. All items listed as University Intellectual Property will belong to University.

5.5.5.1 Non-Exclusive License. University hereby grants HP a non-exclusive, royalty-free, paid-up, perpetual, irrevocable, worldwide license in each item of University Intellectual Property. This license includes a limited right of sublicense to enable third parties to include in their products features that interoperate with HP products. An example of such a feature is a driver for an HP printer.

5.5.5.1.1 In any jurisdiction in which any such item of University Intellectual Property is protected by patent, copyright or other governmental grant of rights, this license includes the right to make, have made, use, offer to sell, sell and import products; the right to practice methods; and in the case of software the right to reproduce, make derivative works, publicly distribute, publicly perform, publicly display and sublicense end users to use.

5.5.5.1.2 In any jurisdiction in which any such item of University Intellectual Property is not protected by patent, copyright or other governmental grant of rights, this license means that University will not attempt to prevent or restrict HP from making, having made, using, offering to sell, selling and importing products; from practicing methods; and in the case of software, from reproducing, making derivative works, publicly distributing, publicly performing, and publicly displaying the software, or from sublicensing end users to use the software.

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5.5.5.2 Exclusive License. Within ninety days after the project review meeting, HP will notify University in writing that HP either does or does not desire an exclusive license in each listed item of University Intellectual Property. If HP fails to give such notice respecting any listed item, it will be presumed that HP does not desire an exclusive license therein.

5.5.5.2.1 University will not disclose or offer to license any listed item to any third party within the ninety-day period.

5.5.5.2.2 After the expiration of the ninety-day period, University may disclose or license (on a non-exclusive basis) any item in which HP does not desire an exclusive license to any third party on any terms University desires.

5.5.5.2.3 University will not disclose or offer to license to any third party any listed item in which HP desires an exclusive license for a period of six months after the project review meeting. If the



parties do not agree on the terms of such license during the six-month period, University may disclose or license (on a non-exclusive basis) the item to any third party on any terms University desires.

5.5.5.2.4 If the parties agree on an exclusive license, HP will inform University whether HP desires the license to be backed up by patent or in the case of software by copyright (or both). If HP elects patent protection, HP will inform University of the countries in which HP desires such protection. University will apply for patent protection in those countries at HP expense. HP may at any time inform University that HP will no longer pay for patent prosecution or maintenance in any country. In such event HP will no longer be entitled to an exclusive license in that country and University will have no obligation to continue to apply for or maintain the patent in such country.

5.5.5.2.5 University may at its expense apply for patent protection on any item of University Intellectual Property in any country in which HP has not elected an exclusive patent license or in which HP has elected not to continue paying for patent prosecution or maintenance. However, the parties will endeavor to cooperate in preparing, filing and prosecuting any such patent applications. At a minimum University will consult with HP prior to filing any such patent application. University may license (on a non-exclusive basis) any resulting patent in that country to any third party on any terms University desires.

5.5.5.2.6 If HP elects an exclusive copyright license in software, University will register a claim of copyright at HP expense.

5.5.5.2.7 Unless otherwise agreed with respect to a particular license, any exclusive license granted hereunder will include the right to make, have made, use, offer to sell, sell and import products; the right to practice methods; and in the case of software the right to reproduce, make derivative works, publicly distribute, publicly perform, publicly display and sublicense end users to use.

5.5.5.2.8 The non-exclusive license granted to HP under Paragraph 5.5.5.1 above will remain in effect regardless of any proceedings under this Paragraph 5.5.5.2 respecting an exclusive license.

5.5.6 License Terms. Unless otherwise agreed in a particular license, any license granted to HP will inure to the benefit of HP subsidiaries and any exclusive license granted to HP will include the right of sublicense.

5.6 Research Use of Project Results. Both parties may use any and all Project Results, and Background IP, free of charge, for their own internal research, testing and teaching purposes. Neither party will grant any license to any third party that would conflict with any such use.

5.7 Non-protected Project Results. Either party may as it desires exploit any Project Results that are not protected by any patent, copyright or other legally enforceable intellectual property right, provided that neither party will disclose or exploit the other's confidential information without permission.

## 6. Notices

Any notice given under this Agreement will be in writing, will reference this Agreement, and will be deemed to have been given

- when personally delivered,
- when sent by confirmed telex or facsimile,
- five days after having been sent by mail with return receipt requested, or
- one day after deposit with an overnight courier that provides verification of receipt.

All communications will be sent to the addresses set forth above or to such other address as may be designated by a party by giving written notice to the other party.

## 7. Indemnity; Exclusion of Liability

7.1 Exclusion of Liability. Except as specifically provided elsewhere in this Agreement, UNIVERSITY AND HP MAKE NO REPRESENTATIONS, WARRANTIES OR CONDITIONS, EXPRESSED OR IMPLIED, REGARDING THEIR PERFORMANCE UNDER THIS AGREEMENT OR ANY RESEARCH PROJECT SPECIFICATION, INCLUDING BUT NOT LIMITED TO MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE OF ANY PROJECT RESULTS, and neither party will be liable for indirect, special, consequential, or incidental damages as a result of the other party's use of any Project Results.

7.2 Product Liability Indemnity. HP will indemnify, hold harmless and defend University against any claims, demands, actions, liability and expenses asserted on a product liability theory for bodily injury or property damage alleged to have been caused by HP development, testing, manufacture, sale, disposition, disposal, or use of any product based on any Project Results, provided that University gives prompt notice to HP of any third party claim, tenders the defense thereof to HP, permits HP to control the

defense (including settlement), and reasonably cooperates in the defense at HP request and at HP expense.

## 8. Term and Termination

8.1 This Agreement begins on the Effective Date.

8.2 At any time either party may terminate this Agreement without penalty by a written notice specifying a termination date at least six months subsequent to the date of the notice. Any Research Project that is active as of the termination date will automatically terminate on that date, and the settlement of costs will be governed by Paragraph 2.3 on the basis that the party which terminated this Agreement will be deemed also to be the party that terminated the Research Project.

8.3 If one of the parties breaches any of its obligations under this Agreement or any Project Specification and such breach has, or is likely to have, a material effect on the other party, the other party may give written notice to the breaching party calling upon it to comply with its obligations within a specified term of not less than thirty days. If at the expiration of this term the breaching party has not cured its breach, the other party shall have the right to immediately terminate this Agreement or any Project Specification in writing. Termination of this Agreement for breach will also result in the simultaneous termination of any active Research Projects. The settlement of costs for terminated Research Projects will be governed by Paragraph 2.3 on the basis that the party in breach will be deemed to be the party that terminated the Research Project. Termination for breach will be in addition to any other remedy to which the terminating party is entitled.

8.4 The provisions of Paragraph 2.2, Article 5, and Article 7 will survive the expiration or termination of this Agreement. If any Research Project remains active past the expiration or termination of this Agreement, the terms of this Agreement will remain in effect as to that Research Project until completion thereof and satisfaction of the various rights and obligations in Article 5.

## 9. Miscellaneous Clauses

9.1 Export Laws. Each party will adhere to all applicable laws, regulations and rules relating to the export of technical data, and will not export or reexport any technical data, the direct product of such technical data, or any products received from the other party, to any proscribed country listed in such applicable laws, regulations and rules unless properly authorized.

9.2 Relationship of the Parties. The parties are independent contractors. Nothing in this

Agreement will constitute the parties as entering into a partnership, joint venture, or agency relationship.

9.3 Entire Agreement. This Agreement is the entire understanding between HP and the University with respect to the subject matter thereof and merges all prior agreements, dealings and negotiations. No modification, alteration or amendment will be effective unless in writing and signed by both parties.

9.4 No Assignment. Neither party may assign its rights or obligations unless the other gives written consent. Any attempted assignment without such consent will be voidable at the option of the non-assigning party.

9.5 Governing Law. This Agreement will be governed by the laws of the state in which the Hewlett Packard maintains its primary offices.

SIGNATURES

\_\_\_\_\_  
Name of

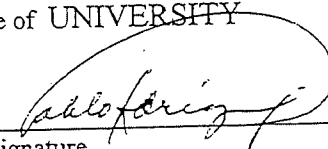
By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Name of UNIVERSITY

By   
Signature

\_\_\_\_\_  
Typed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date of Signature

ECU

Exhibit 1: Form of Research Project Specification

Title of Research Project: \_\_\_\_\_

Name(s) of Principal Investigator(s): \_\_\_\_\_

Effective date of this Specification: \_\_\_\_\_

Period of performance: \_\_\_\_\_

Reports and other deliverable items: \_\_\_\_\_

HP equipment to be loaned to the University: \_\_\_\_\_

HP Visiting Scientists and duration of visits: \_\_\_\_\_

Financial terms:

- Direct and indirect costs of research: \_\_\_\_\_
- Amount to be funded by HP: \_\_\_\_\_
- Approximate value of any equipment to be furnished by HP: \_\_\_\_\_
- Payment terms: \_\_\_\_\_

Attachments:

- Itemized budget
- Statement of work

Research Project Authorization

\_\_\_\_\_  
Hewlett-Packard  
By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Luis A. López  
Typed Name

\_\_\_\_\_  
Engineering Manager  
Title

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
University of Puerto Rico at Mayagüez  
Name of University

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Pablo Rodríguez  
Typed Name

\_\_\_\_\_  
Chancellor  
Title

\_\_\_\_\_  
Date of Signature

ECV