

## Second Amendment To Memorandum Of Understanding

This Second Amendment To Memorandum Of Understanding ("Amendment"), is by and between Purdue University (hereinafter referred to as "PURDUE"), New Jersey Institute of Technology (hereinafter referred to as "NJIT"), the University of Puerto Rico at Mayaguez (hereinafter referred to as "UPRM"), and Rutgers, The State University of New Jersey ("RUTGERS"), a specially chartered New Jersey Educational Institution, having its Office of Technology Commercialization located at ASB III, 3 Rutgers Plaza, New Brunswick, New Jersey 08901-8559. RUTGERS, NJIT, UPR and PURDUE are referred to collectively as the "parties" and individually as "party".

This Agreement is effective on the date of last signature below ("Effective Date").

**WHEREAS**, the parties have previously entered into a Memorandum of Understanding ("MOU") on May 24, 2005 between the parties with respect to the joint establishment of an Engineering Research Center in Organic Structured Composites ("ERC") funded under a grant by the National Science Foundation ("NSF"), Award EEC-0540855 and Grant No. 0951845 (collectively "Grant"). This MOU was amended effective May 6, 2009 by the First Amendment to Memorandum of Understanding ("MOU First Amendment");

**WHEREAS**, as of the Effective Date, the parties in the ERC expect to create and possess certain intellectual property ("Intellectual Property") which is and/or was generated, in whole or in part, under the Grant from the NSF;

**WHEREAS**, RUTGERS, PURDUE, UPRM and NJIT each have separate agreements and/or intellectual property policies pursuant to which: (a) their respective inventors assigned (or are required to assign) all right, title, and interest in the Intellectual Property to their institution, and (b) their respective inventors agreed (or are required) to cooperate with and reasonably assist their respective institution in protection and commercialization efforts relating to the Intellectual Property; and

**WHEREAS**, the parties under this Amendment wish to finalize procedures to address the process to be followed by all parties for the protection and commercialization of the Intellectual Property on the terms and conditions set forth in this Amendment.

**NOW THEREFORE**, the parties mutually agree as follows:

**1. Definitions.**

1.1 "**Administrative Fee**": Fifteen percent (15%) of Gross Revenues, but not to exceed twenty thousand dollars (\$20,000) for each license agreement completed over the term of the MOU.

1.2 "**Federal IP Policy**": U.S. law and regulations applicable to intellectual property funded in whole or in part by the U.S. Government pursuant to which the U.S. Government

retains certain rights, including without limitation 35 U.S.C. §200 et seq., 15 U.S.C. §3710a, and 37 C.F.R. Part 401.

1.3 **“Gross Income”**: All cash and non-cash consideration, including licensing royalties, actually received under a License Agreement excluding reimbursement of out-of-pocket patenting costs (as defined below).

1.4 **“License Agreement”**: An exclusive or non-exclusive license, option, or other agreement for the commercial exploitation and/or development of the Intellectual Property whereby certain rights are granted in exchange for consideration. Any grant of license in a License Agreement will be subject, in all respects, to the Federal IP Policy, the terms and conditions of applicable contracts directed to NSF Award EEC-0540855 and Grant No. EEC-0951845.

1.5 **“Net Income”**: Gross Income less the Administrative Fee.

## 2. **Invention Disclosures.**

2.1 All ERC inventors shall report all Intellectual Property in accordance with the policies and practices established by their respective institution.

2.2 All submitted invention disclosures for Intellectual Property related to ERC research will be promptly distributed by the respective disclosing institution’s ERC site leader to all of the other parties’ ERC site leaders and technical transfer offices for the parties.

## 3. **Solely Owned Intellectual Property.**

3.1 All parties agree to implement the following procedures for managing the Intellectual Property under this Amendment for inventions owned by a single institution as follows:

- a. In its sole discretion, the university which solely owns the Intellectual Property will pay for the patent filing, prosecution and maintenance fees and expenses (collectively “patenting costs”), conduct commercial licensing negotiations, and collect and solely retain any and all Gross Income. Notwithstanding, no institution shall be obligated or compelled to file and pay for any patent applications to protect solely owned Intellectual Property;
- b. Any commercial license for solely owned Intellectual Property will be negotiated subject to the rights of ERC industrial member companies as described in the MOU (i.e., only after first-rights to negotiate have been exercised by member companies and subject to the rights of members to a non-exclusive, royalty free license for in-house use of ERC technology) and Federal IP Policy;
- c. Any Gross Income or royalties will be disbursed by the respective institution to its inventors in accordance with the owner institution’s existing patent and/or intellectual property policies and/or procedures; and

- d. In each case and only to the extent permitted by the owner institution's existing patent and/or intellectual property policies and/or procedures, the "unit" and/or "department" share, if any, will go to the respective institution's ERC site leader to be used for such institution's projects related to the ERC strategic plan.

#### **4. Jointly Owned Intellectual Property.**

4.1 All parties agree to implement the following procedures for managing the Intellectual Property under this Agreement for inventions owned by two or more of the institutions ("Joint Intellectual Property") as follows:

- a. Each owning institution (i.e., at least one inventor as determined by US Patent Law) will have an equal ownership percentage of Joint Intellectual Property regardless of the number of inventors from each such institution;
- b. By mutual written agreement, the ownership of Joint Intellectual Property may be divided in a manner other than equally among owning institutions;
- c. The institution owning the largest percentage of Joint Intellectual property ownership will be designated as the lead institution with respect to patent prosecution and commercial licensing;
- d. In cases where Joint Intellectual Property ownership is equally divided and RUTGERS is not an owning institution, the remaining parties will mutually designate a lead institution with respect to patent prosecution and commercial licensing; and
- e. In cases where Joint Intellectual Property ownership is equally divided and RUTGERS is an owning institution, RUTGERS (as the prime contractor under the Grant) will be designated as the lead institution with respect to patent prosecution and commercial licensing.

4.2 The lead institution designated above will be primarily responsible for the filing and prosecution of the Joint Intellectual Property patent, conducting licensing negotiations with potential licensees, collecting the Administrative Fee, and distributing the net income to the other owning institutions. Any out of pocket patenting costs shall be reimbursed to the parties who paid the same before the Administrative Fee is collected. All commercial licenses for Joint Intellectual Property will be negotiated subject to the rights of the ERC industrial member companies as described in the MOU (i.e. only after first-rights to negotiate have been exercised by member companies and subject to the rights of members to a non-exclusive, royalty free license for in-house use of ERC technology) and Federal IP Policy.

4.3 Patenting costs and Gross Income related to Joint Intellectual Property will be shared by the owning institutions according to their ownership percentages above. Sections 3.1 (c) and 3.1 (d) shall apply to Gross Income received by each of the Joint Intellectual Property owning institutions. In instances where there is no commitment from a third party to reimburse patenting costs, the lead institution shall consult with the other owning institutions regarding all patent filings. If any party is not willing to support its share of patenting costs ("Declining Party"), it will so notify the other owning institutions ("Non-Declining Parties") no later than

sixty (60) days in advance of the applicable patent filing deadline. By so doing: (a) the Declining Party will not be responsible for any such patenting costs; (b) the Non-Declining Parties may proceed with the patent filings at their own expense, and (c) the Declining Party thereby relinquishes any right to Gross Income from derived from the patent filing until the Non-Declining Parties have recovered all of their patenting costs related to the same.

4.4 No party shall exclusively license Joint Intellectual Property without the prior written consent of the other owning institutions, which consent shall not be unreasonably denied. Any institution licensing Joint Intellectual Property on a non-exclusive basis shall provide the other owning institutions with copies of such license within forty (45) days after execution. If an owning institution other than the lead institution discovers a licensing opportunity and consummates a commercial license to Joint Intellectual Property, that party shall be entitled to the Administrative Fee.

4.5 No party shall abandon the prosecution of any Joint Intellectual Property patent application (except in favor of a continuation or continuation-in-part application) or refuse to file a patent application (where such party is the lead institution) without notifying the other owning institutions at least forty five (45) days in advance of any applicable final deadline and allowing the other owning institutions the opportunity to prosecute and/or maintain such patent application on their own.

4.6 The lead institution will reasonably consult with the other owning institutions regarding all future patent filings regarding Joint Intellectual Property and shall provide the other owning institutions with copies of the same. No owning institution shall be obligated hereunder to file and pay for any patenting costs.

## 5. Miscellaneous Provisions.

5.1 This Amendment will continue in full force and effect until dissolution of the ERC and/or as otherwise provided in the MOU.

5.2 Except as specifically amended by and/or inconsistent with this Amendment, all of the terms and provisions the MOU shall remain unchanged and continue in full force and effect. In the event of any inconsistency between the terms of this Amendment and the terms of the MOU, the terms of this Amendment shall prevail.

5.3 Any notice required to be given under this Agreement shall be deemed to have been sufficiently given for all purposes if sent by first class certified or registered mail or if delivered by express delivery service to the following addresses of either party:

If to PURDUE:                   Purdue University c/o Assistant Director, Contracting  
Sponsored Program Services  
Hovde Hall of Administration  
610 Purdue Mall  
West Lafayette, Indiana 47907-2040

If to RUTGERS: Rutgers, The State University of New Jersey  
Office of Technology Commercialization  
ASB III, 3 Rutgers Plaza  
New Brunswick, New Jersey 08901-8559  
Attn: Executive Director

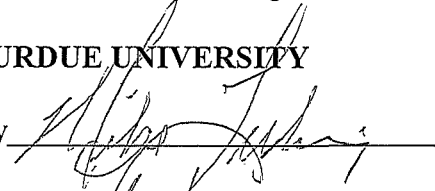
If to NJIT: New Jersey Institute of Technology  
Office of Technology Development  
349 Fenster Hall  
University Heights  
Newark, NJ 07102  
Attn: Judith Sheft, Associate Vice President

If to UPRM: University of Puerto Rico at Mayaguez  
Intellectual Property & Technology Transfer Office  
Research & Development Center  
Call Box-3565 9000 *led*  
Mayagüez, PR 00681-9000  
Attn: Elvia M. Camayd-Vélez, Coordinator

or to such other address as is hereafter furnished by written notice to the other party.

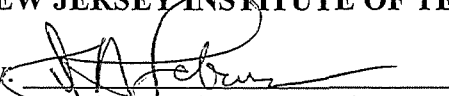
**IN WITNESS THEREOF**, the parties hereto have caused their duly authorized representative to execute this Agreement.

**PURDUE UNIVERSITY**

By:  \_\_\_\_\_

Date: 5/27/11 \_\_\_\_\_

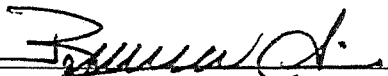
**NEW JERSEY INSTITUTE OF TECHNOLOGY**

By:  \_\_\_\_\_

Donald H. Sebastian, Senior VP For Research & Development

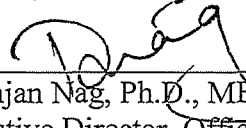
Date: 6/12/11 \_\_\_\_\_

**UNIVERSITY OF PUERTO RICO AT MAYAGUEZ**

By:  <sup>mtc</sup>  
Jorge Rivera Santos, Ph.D., Acting Chancellor

Date: July 7, 2011

**RUTGERS, THE STATE UNIVERSITY OF NEW JERSEY**

By   
Dipanjan Nag, Ph.D., MBA, CLP  
Executive Director, Office of Technology Commercialization

Date: 6/22/11

T.Z.