



**UNIVERSITY OF PUERTO RICO  
MAYAGÜEZ CAMPUS**

**RESEARCH COLLABORATION AGREEMENT**

This Research Collaboration Agreement (the "Agreement") is made between the University of Puerto Rico – Mayagüez Campus ("UPRM") and CDI Laboratories, Inc. ("CDI"), under the following terms and conditions.

**WHEREAS**, the research program contemplated by this Agreement is of mutual interest and benefit to UPRM and to CDI, and will further the instructional and research objectives of UPRM in a manner consistent with its status as a non-profit, tax-exempt, educational institution.

**NOW, THEREFORE**, the Parties hereto agree as follows:

1. **Research Project.** CDI and UPRM desire to undertake collaborative research activities for the purpose of generating monoclonal antibodies from pure human recombinant protein candidates that are disease related, and of mutual interest to UPR and CDI. The respective contributions of CDI and UPRM to the Research Project are described in the Statement of Work set forth on Attachment A to this Agreement, which is incorporated herein by reference.

The Principal Investigator for the UPRM will be Dr. Belinda Pastrana-Ríos, Professor of Chemistry, who is a faculty member of UPRM. The Principal Investigator for CDI will be Dr. Ignacio Pino, who is its President and founder. The Research Project shall not exceed the scope of work set forth on Attachment A, provided that Dr. Pastrana-Ríos and Dr. Pino may agree to modifications of Attachment A that do not alter its scope, as they believe appropriate. Any significant changes must be in writing and must be approved by CDI and UPRM.

Each party will bear all of its own costs and expenses in connection with the Research Project.



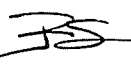
2. **Transfer of Materials among Parties.** Biological and other research materials, as hereinafter defined, may be transferred between the CDI and UPRM in connection with the Research Project. The following terms shall govern any transfer of materials pursuant to the Research Project.

a. **In General.** It is expected that CDI will transfer to UPRM materials developed outside the course of the Research Project as set forth in Attachment A, and UPRM will transfer to CDI materials developed outside the course of the Research Project as set forth in Attachment A. In addition, other materials developed during the course of the Research Project may be transferred between the parties as part of the Research Project.

Materials developed solely by CDI, whether developed before or after the Effective Date, together with progeny and unmodified derivatives, will be owned solely by the CDI ("CDI Materials"); materials developed solely by UPRM, whether before or after the Effective Date, together with progeny

and unmodified derivatives, will be owned solely by UPRM ("UPRM Materials"); materials developed jointly by researchers at CDI and UPRM in the course of the Research Project will be owned jointly ("Jointly Developed Materials"). All materials that may be transferred hereunder are sometimes hereinafter referred to as "Research Materials," singly or collectively.

b. **No Warranties.** All Research Materials transferred in connection with the Research Project are experimental in nature and shall be used with prudence and appropriate caution, since not all of their characteristics are known. ALL RESEARCH MATERIALS ARE PROVIDED WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. A party providing its Research Materials makes no representation or warranty to the receiving party that the use of such Research Materials will not infringe any patent or other proprietary right.

  
  
  
c. **Legal Title; Use.** Legal title to any Research Materials transferred hereunder shall be unaffected by this Agreement or the transfer made hereunder. UPRM will use CDI Materials only in work done in the course of the Research Project, and only in Dr. Pastrana-Ríos's laboratory in research by laboratory personnel under her immediate and direct control. CDI will use UPRM Materials only in work done in the course of the Research Project, and only in Dr. Pino's laboratory in research by laboratory personnel under his immediate and direct control. In addition, during the term of the Research Project, any Jointly Developed Materials will not be used by the parties other than in the Research Project.

d. **Limitations.** Research Materials transferred under this Agreement are provided only for use in animals or in vitro. Research Materials transferred under this Agreement will not be used in humans, including for purposes of diagnostic testing. Any use of CDI Materials by the UPRM, or of UPRM Materials by CDI, or of Jointly Developed Materials by a party, other than in accordance with this paragraph 2, is a material breach of this Agreement for purposes of the termination provisions of paragraph 8, below.

e. **Recipient Rights in Transferred Materials.** The transfer of CDI Materials to the UPRM, and the transfer of UPRM Materials to the CDI, gives the recipient no rights in such material other than those specifically set forth in this Agreement.

3. **Confidentiality.** Subject to paragraph 5, below, during the term of this Agreement and for a period of five years thereafter, each party shall cause all information that is disclosed to it by the other party in connection with the Research Project and is identified in writing as confidential by the disclosing party ("Confidential Information") to be treated according to the same internal security procedures and with the same degree of care regarding its secrecy and confidentiality as the party receiving the disclosure treats similar information of its own within its organization. Confidential Information does not include information that: (i) is or later becomes available to the public through no breach of this Agreement; (ii) is obtained from a third party who had the legal right to disclose the information; (iii) as of the date of disclosure, is already in the possession of the party to whom disclosure is made; or (iv) is required to be disclosed by law, government regulation, or court order.

4. **Results of Research Project.**

a. **In General.** Each party will keep the other parties informed of research results obtained from its work in connection with the Research Project. Information shared in accordance with this paragraph shall be treated as confidential by the party to which it is disclosed (even if not identified as confidential by the disclosing party), and shall be handled by that party in accordance with, the terms of paragraph 3, above. Following the collaboration, each party shall have an unrestricted right to use for its own internal research purposes all research results, including without limitation any Sole Invention of any party and any Joint Invention (as such terms are defined below), obtained from the Research Project.

[If the research results will be tangible, for example a genetically modified mouse, the agreement should provide that the party generating the research results will make a reasonable number of samples of the results available to the other parties as soon as the results have been generated.]

b. **Inventions.** For purposes of this Agreement, an "Invention" is any invention or discovery, whether patentable or nonpatentable, or copyrightable or non-copyrightable, that is conceived or reduced to practice in the course of the Research Project. Inventorship of Inventions will be determined in accordance with principles of U.S. patent law. In the case of a non-patentable Invention, inventorship will be determined under such principles by treating such Invention as if it were patentable. If an Invention is made by one or more inventors all of whom are required to assign rights in the Invention to a single party (a "Sole Invention"), the Sole Invention shall be the property of that party. If an Invention is made by more than one inventor, and at least one inventor is required to assign rights in the Invention to CDI, and at least one inventor is required to assign rights in the Invention either to UPRM, the Invention shall be jointly owned by the parties who are assigned rights in the Invention (each, a "Joint Invention"). UPRM and CDI may pursue joint patent protection of Joint Inventions.

c. **Licensing of Sole Inventions.** CDI and UPRM separately reserve the right to license its interest in any Sole Invention, subject to the other party's right to use the Sole Invention for its own internal research purposes, and UPRM or the CDI, as the case may be, shall have no right to compensation in connection with any such license granted by the other party to any third party.

d. **Licensing of Joint Inventions.** Subject to UPRM's obligations to the U.S. government and other third parties, and subject to the right to use each Joint Invention for its own internal research purposes, UPRM hereby grants CDI an option to negotiate in good faith for an exclusive (or non-exclusive, if the Invention would be considered a research tool under NIH, royalty-bearing license on reasonable commercial terms to use the UPRM's interest in any Joint Invention. The option to negotiate with respect to any such Joint Invention shall be valid and exercisable for a period of 60 days after the UPRM notifies CDI of the Joint Invention and, if CDI exercises the option within that period, then CDI shall have 120 days after exercise of the option within which to execute a license. The 120-day period may be extended by mutual agreement of UPRM and CDI. If, with respect to any Joint Invention, either CDI does not exercise its option within the option period for that Invention or UPRM and CDI are unable to agree in good faith on the terms of a license within the negotiation period, then UPRM shall be free to license its interest in such Invention to others without further obligation to CDI.

UPRM  
CDI  
RS

Handwritten initials: MP, BP, JS

e. **Indemnification for Commercial Use.** In the event that CDI, any affiliate or sublicensee thereof, or any third party on behalf of or for the account of the CDI, uses a Joint Invention for any commercial purpose ("Commercial Use"), including without limitation the development or derivation of a product or service from such Joint Invention (collectively, a "Product") and there is no license agreement in place between UPRM and CDI with respect to such Invention, UPRM, UPR, and their respective trustees, directors, officers, employees, and agents (collectively, "Indemnitees"), will be indemnified, defended by counsel acceptable to the UPRM and UPR, and held harmless by the CDI from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "Commercial Use Claims"), based upon, arising out of, or otherwise relating to any Commercial Use or use of any Product by any person or entity (including any Indemnitee), including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Commercial Use Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an Indemnitee. In the event that the UPRM grants a third party a license for the commercialization of an Invention that is jointly owned by the UPR and the CDI, and the CDI is not a party to said license, then the UPR shall include language in any such license so that CDI is indemnified by the third party licensee thereunder. Without limiting the foregoing, no party hereto shall have any obligation or liability under any agreement by which another party (the "Licensing Party") licenses or sublicenses a Sole Invention of the Licensing Party or the Licensing Party's interest in a Joint Invention.

5. **Publication.** It is contemplated that results of the Research Project will be jointly published; however, the UPRM and the CDI each separately reserve the right to publish information and data generated in the course of the Research Project. The parties agree to abide by the policies of journals in which publications will appear as to such matters as the public release or availability of data or biological materials relating to the publication. Authorship of results of the Research Project will be determined in accordance with academic standards and custom. Proper acknowledgment will be made for the contributions of each party to the research results being published. If a proposed publication is not a joint publication, the party wishing to make the publication shall provide a copy of the manuscript or abstract to the other party at least 30 days prior to publication in order to allow the other party an opportunity to protect proprietary information or intellectual property that might be disclosed by the manuscript or abstract. In addition, a party will not publish Confidential Information received from the other party (not to include information and data generated in the course of the Research Project) without such other party's consent. Once information and data generated in the course of the Research Project have been published, the confidentiality restrictions of this Agreement shall no longer apply to such information and data. In addition, each party shall make samples of its Research Material disclosed in the publication available upon request (supplies permitting) to scientists at non-profit UPRM, provided that the recipient scientist agrees in writing that (i) the Research Material will be used for research in the recipient scientist's laboratory only, (ii) the Research Material will not be used for any commercial purpose, (iii) the Research Material will not be used for work on human subjects, and (iv) the Research Material will not be distributed to other laboratories.

6. **Responsibilities of the Parties.** Each party is an independent contractor and has no authority to bind or act on behalf of another party. Each party is responsible and liable to the other parties only for its own acts and omissions, and the acts and omissions of its trustees, directors, officers, employees, and agents, relating to the Research Project or to any Research Materials that have been transferred to it in connection with the Research Project. The CDI agrees to indemnify, defend with counsel acceptable to each of UPRM and the UPR and their respective trustees, directors, officers, employees, and agents harmless from, and UPRM agrees to indemnify, defend with counsel acceptable to the CDI, and hold the CDI and its directors, officers, employees, and agents harmless from, any claim, liability, cost, expense, damage, deficiency, loss or obligation, of any kind or nature (including without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "Claims") resulting from the indemnitor's acts or omissions, or those of its trustees, directors, officers, employees, or agents, under, arising out of or otherwise related to this Agreement, the Research Project or Research Materials transferred in connection with the Research Project, except to the extent such Claim arises out of the gross negligence or intentional wrongdoing of the party seeking indemnification or that of its trustees, directors, officers, employees, or agents. Notwithstanding the foregoing, the terms of paragraph 4e, above, shall apply to all matters covered thereby.

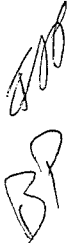
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7. **Compliance with Laws and Regulations.** All research done in connection with the Research Project, including all use of Research Materials transferred hereunder, will be done in compliance with all applicable federal, state or local laws, governmental regulations and guidelines of the United States, including without limitation current NIH guidelines and any regulations or guidelines pertaining to research with recombinant DNA that may be applicable.

8. **Term of Agreement; Duration of Research Project.** The Research Project shall be conducted during the period commencing 09/01/2011 – 10/01/2013 (the "Effective Date") and, unless earlier terminated in accordance with this Agreement. It is expected that the Research Project will be completed within approximately 2 years of the Effective Date. This Agreement shall continue in effect until the earlier of March 01, 2013 or the completion or termination of the Research Project. However, the CDI or UPRM may terminate the Research Project and this Agreement at any time upon 30 days' written notice to the other parties, regardless of whether the Research Project has been completed. In addition, in the event of a material breach of this Agreement by a party, any other party may terminate the Research Project and this Agreement immediately upon written notice to both other parties. If the Research Project and this Agreement are terminated, CDI Materials received pursuant to this Agreement by the UPRM shall, at the request of the CDI, be returned to the CDI or properly destroyed, and Institution Materials received pursuant to this Agreement by the CDI shall, at the request of the UPRM, be returned to the UPRM or properly destroyed. The terms of paragraphs 2, 3, 4, 5, 6, and 9, and of this sentence and the preceding sentence, shall survive any termination of this Agreement.

9. **Use of Name.** The Parties herein shall not use each other name, or names, or their Project Directors names, or any abbreviation or variant thereof, in any press release, or in any commercial advertisement or similar material that is used to promote or sell products or services, unless mutually agreed upon by both parties.

10. **Notices.** Any notices required to be given or which shall be given under this Agreement shall be in writing and be addressed to the Parties as shown below. Notices shall be delivered by certified or registered first class mail (air mail if not domestic) or by commercial courier service and shall be deemed to have been given or made as of the date received.

If to UPRM: University of Puerto Rico at Mayagüez  
Att: Dr. Belinda Pastrana-Ríos  
P.O. Box 9019  
Mayagüez, PR 00681-9019  
Phone: 787-832-4040 ext 2302 or 787-265-6520  
Fax: 787-265-3849

  
If to CDI: CDI Laboratories, Inc.  
Att: Dr. Ignacio Pino  
4005 St B Road 114 Km 1.3  
Mayaguez, P.R. 00682-1379  
Phone: 787- 806-4100 ext 233  
Fax: 787- 806-4006

11. **Assignment.** This Agreement is not assignable by a party, whether by operation of law or otherwise, either in whole or in part, without the prior written consent of the other parties.

12. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be an original, but which counterparts shall together constitute one and the same instrument.

13. **Force Majeure.** Neither Party shall be liable to the other for failure to perform any of its respective obligations imposed by this Agreement provided such failure shall be occasioned by fire, flood, explosion, lightning, windstorm, earthquake, subsidence of soil, governmental interference, civil commotion, riot, war, terrorism, strikes, labor disturbance, or any other cause beyond its reasonable control.

14. **Governing Law; Entire Agreement.** The validity and interpretation of this Agreement and the legal relationship of the Parties to it shall be governed by the laws of the Commonwealth of Puerto Rico and the applicable U.S. Federal law. This Agreement (including Attachment A hereto), and any other documents executed in connection herewith by authorized representatives of the parties, contain the entire agreement between the parties relating to the subject matter contained herein, and supersede all prior or contemporaneous agreements, written or oral, with respect thereto.

**IN WITNESS WHEREOF,** the UPRM and the CDI, intending to be legally bound, have executed this Agreement as of the Effective Date by their respective duly authorized representatives.

University of Puerto Rico – Mayagüez Campus

CDI Laboratories, Inc

By:   
Name: Dr. Jorge Rivera Santos

Title: Acting Chancellor

Date: SEPT. 1, 2011

Read and acknowledged:



UPRM PI: Dr. Belinda Pastrana-Ríos  
Professor of Chemistry

Date: 7/27/11

By:   
Name: Dr. Ignacio Pino

Title: President

Date: 7/27/11