

Quest for Cures Grant Terms

Each applicant (PI) and institution applying for funds through this Quest for Cures RFP will be required to sign this attached form noting their understanding and acceptance of the IP terms and Celgene Rights *before* the proposal will be considered for review. LLS's IP policy is noted here first followed by a description of Celgene Rights. Applications missing this signed form will be disqualified.

The Leukemia & Lymphoma Society's Patent and Intellectual Property Agreement

The Leukemia & Lymphoma Society's ("LLS") primary purpose in funding scientifically meritorious research is to advance its mission to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and to improve the quality of life of patients and their families around the world. In this regard, LLS recognizes that certain Inventions (defined below), potentially having public health, scientific, business, or commercial application or value, may be discovered or made in the course of research or development supported with funds furnished by LLS. LLS desires that such Inventions be effectuated and brought into public use at the earliest possible time, and it recognizes that often this may be best accomplished through patenting and/or licensing of such Inventions.

Each sponsor and individual grant recipient (collectively "Grantee") and each institution ("Sponsoring Institution") receiving grant funds from LLS agree to the following provisions regarding patent and intellectual property rights and licenses resulting or stemming from research conducted by Grantee and funded in whole or in part by LLS.

This Patent and Intellectual Property Agreement ("IP Agreement") forms part of the accompanying Grant Agreement between LLS on the one hand, and the Grantee and Sponsoring Institution on the other hand, executed concurrently herewith. Although intended to be consistent with the Grant Agreement, the terms of this IP Agreement supersede any conflicting terms of the Grant Agreement, to the extent any conflicting terms exist.

1. The following terms have the following meanings set forth below:
 - a. **"Invention"** shall mean any discovery, idea, formula, material, composition, machine, product, apparatus, program, software, work of authorship, use, method, process, or improvement thereof, which is potentially protectable by intellectual property rights, and all intellectual property covering and/or embodied therein including but not limited to associated patents, copyrights, trade secrets, and know-how that establishes clear boundaries from prior art and holds promise for a path to exclusivity and or non-exclusive licensing.
 - b. **"Funded Invention"** shall mean any Invention conceived, made and/or obtained, in whole or in part, by Grantee in the course of, and resulting or stemming from, research or development funded in whole or in part by this LLS grant.
 - c. **"Net Royalty Income"** shall mean gross income or any other consideration resulting from the licensing, assignment, or other commercialization by Grantee or Sponsoring

Institution of a Funded Invention less (1) out of pocket patent or copyright expenses, (2) distributions to the inventors, and (3) the research-related allocation to the inventor's campus laboratory.

2. Title to, and responsibilities for, any Funded Invention shall reside in the Sponsoring Institution. All patent and other expenses for obtaining and maintaining rights to intellectual property covering and/or embodied in any Funded Invention shall be borne by Sponsoring Institution. In the event Sponsoring Institution lacks a policy or procedure that requires assignment of ownership by Grantee to Sponsoring Institution of any Funded Invention, then title to any Funded Invention shall reside in LLS. In the event this is the case, Sponsoring Institution shall confirm this to LLS in writing within ten (10) days of this agreement.
3. Sponsoring Institution agrees to notify LLS in writing of the filing of all patent applications and all issuances to it of any and all patent(s) directed to a Funded Invention. This obligation shall begin with the filing of such application(s) and such written notice shall be included in the first Progress Report due, in accordance with the accompanying Grant Agreement, following such filing(s). This obligation shall continue throughout the term of this IP Agreement. Sponsoring Institution also agrees to notify LLS in writing within 30 days of granting any license, lease, sale, or assignment of a Funded Invention, and to provide LLS with the name of any licensee or assignee, the subject matter of the license or assignment, the term of the license, and whether such license is exclusive or non-exclusive.
4. No pending patent application, issued patent, or other intellectual property covering and/or embodied in the Funded Invention shall be abandoned without first notifying LLS at least 60 days in advance of such decision. At such time, Sponsoring Institution shall provide LLS with the reasonable opportunity to (1) take title to the pending patent application or issued patent; and/or (2) prosecute the pending patent application, or pay the maintenance fee due on the issued patent, at LLS's own expense. This opportunity shall be subject to the Sponsoring Institution's obligations to all other sponsors of research, including the Federal Government.
5. Sponsoring Institution agrees to share with and pay LLS all income derived from Sponsoring Institution's commercialization of any Funded Invention, including any equity disposition, as follows:
 - a. LLS's share of the Net Royalty Income shall be ten percent (10%).
 - b. LLS shall have the right to audit the books and records of the Sponsoring Institution annually in order to verify the Net Royalty Income derived annually from the Funded Invention. Sponsoring Institution shall make the books and records available within 30 days of such request from LLS.
6. Sponsoring Institution agrees to exert its best efforts to commercialize or license or cause to be commercialized the Funded Invention(s), consistent with sound and reasonable business practices and judgment.
7. In the event the Sponsoring Institution licenses, leases, sells, or assigns the Funded Invention to a third party for commercialization, Sponsoring Institution shall include provisions

in the license obligating the licensee to commercialize the technology in a diligent manner and include appropriate diligence requirements and milestones. The agreement shall also provide that in the event that the licensee has failed to commercialize the technology in accordance with such diligence provisions, the Sponsoring Institution shall have the right to 1) require assignment back (if previously assigned) of any Funded Invention to the Sponsoring Institution, 2) terminate any outstanding exclusive licenses, 3) convert an exclusive license to a non-exclusive license so that it may seek other licensees, 4) grant non-exclusive licenses on terms that are reasonable under the circumstances, or 5) make other reasonable disposition of rights.

8. Sponsoring Institution agrees to complete all required disclosure and progress forms supplied by LLS as set forth in the underlying Grant Agreement.

9. If a dispute arises regarding the amount of Net Royalty Income payable to LLS pursuant to paragraph 5 above, the dispute shall be resolved as follows:

- a. One of the parties shall request (“the Resolution Request”) that each of the parties appoint a designated executive management representative to meet for the purpose of attempting to resolve such dispute. The parties’ designated executive management representatives shall meet and negotiate in good faith in an effort to resolve the dispute.
- b. If the parties’ designated executive management representatives are unable to resolve the dispute within 30 days after the Resolution Request is made, the parties shall mediate with a mutually acceptable mediator.
- c. If the mediation does not resolve the dispute within 60 days (unless this time is extended by written agreement of the parties) after the Resolution Request is made, the dispute shall be settled by arbitration by the American Arbitration Association (“AAA”) in accordance with its procedures under its Commercial Arbitration Rules. Each party shall bear its own costs, expenses, and attorney’s fees and an equal share of the arbitration fees. The award of the arbitrator(s) shall be binding, and judgment upon the award may be entered in any court having jurisdiction thereof.

10. The Term of this IP Agreement begins on the Grant Start Date as indicated on page one (1) of the Grant Agreement, and continues until the last of the patents directed to a Funded Invention expires, or for so long as the Sponsoring Institution receives royalties stemming from the licensing, lease, sale or assignment of any Funded Invention, whichever is later.

11. This policy shall be governed by and construed in accordance with the law of the State of New York.

Celgene Rights:

Celgene will have the first right to negotiate for Intellectual Property Rights deriving from each Quest for Cures funded project. Celgene rights include: 1) an “Option Period” such that within thirty (30) days of the submission of the final report by recipient institution, Celgene will notify LLS and recipient institution, of its intent to exercise this option. From this notice date, Celgene shall have; 2) a one hundred twenty (120) day “Exclusive Dealings” period with the recipient institutions where both parties will negotiate in good faith. If during the “Exclusive

Dealings Period” an agreement is not reached, the recipient institution may not enter into an agreement with a third party with terms any less favorable than what was last offered by Celgene to the recipient institution for a period of one hundred eighty (180) days (the “Restricted Period”). If after this one hundred eighty (180) day period, the recipient institution has not entered into an agreement with a third party, recipient institution shall have five (5) business days to inform LLS and Celgene. 3) Celgene within ten (10) business days, shall inform LLS and recipient institution of their election to elect to enter into another forty-five (45) day “Exclusive Dealings Period.”

Recipient institution further agrees that during the term of the funded Quest for Cures project, the Option Period and Exclusive Dealing Periods *not* to disclose Intellectual Property Rights created during the Quest for Cures funded project to any third party outside the course of ordinary activity *nor* to initiate negotiations with any third party for an agreement or contracting of Intellectual Property Rights created during the Quest for Cures funded project. For clarity, recipient institutions shall be allowed 1) to disclose such Intellectual Property Rights to third parties during the Restricted Period(s), 2) publication in scientific and medical journals (provided that doing so does not materially interfere with the patentability thereof) or as required by law.

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Investigator Name and Degree

Investigator Title

Date

Institutional Technology Official

Institutional Title

Date