



MASSACHUSETTS INSTITUTE OF TECHNOLOGY
OFFICE OF SPONSORED PROGRAMS

**EXPLANATION OF MIT'S
STANDARD SPONSORED RESEARCH AGREEMENT**

THE HYPERLINKED ANNOTATIONS IN THIS DOCUMENT ARE INTENDED SOLELY TO HELP THE READER UNDERSTAND THE BASIS IN LAW OR MIT POLICY FOR TERMS IN MIT'S STANDARD SPONSORED RESEARCH AGREEMENT. THESE ANNOTATIONS IN NO WAY ALTER OR MODIFY THIS CONTRACT. IN THE EVENT THERE IS ANY DISPUTE AS TO THE INTENT OR MEANING OF THE POP-UP ANNOTATIONS VERSUS THE ACTUAL CONTRACT, ONLY THE TEXT OF THE CONTRACT ITSELF SHALL BE INTERPRETED.

This Research Agreement (“Agreement”) is made effective as of _____ (the “Effective Date”), by and between **Massachusetts Institute of Technology**, located at 77 Massachusetts Avenue, Cambridge, Massachusetts 02139 (hereinafter referred to as “MIT”), and _____, located at _____ (hereinafter referred to as the “Sponsor”). Party shall mean the Sponsor or MIT as the context dictates, and when used in the plural, shall mean the Sponsor and MIT.

WHEREAS, the research program contemplated by this Agreement is of [mutual interest and benefit to MIT and to the Sponsor](#), and will further the instructional and research objectives of MIT in a manner consistent with its status as a non-profit, tax-exempt, educational institution.

NOW, THEREFORE, the Parties hereto agree as follows:

- 1. STATEMENT OF WORK.** MIT agrees to use [reasonable efforts](#) to perform the research program as described in **Attachment A** (the “Research”) to this Agreement.
- 2. PRINCIPAL INVESTIGATOR.** The Research will be supervised by _____ the “Principal Investigator”. If, for any reason, _____ is unable to continue to serve as Principal Investigator and a successor reasonably acceptable to both MIT and the Sponsor is not available, this Agreement shall be terminated as provided in Article 6.
- 3. PERIOD OF PERFORMANCE.** The Research shall be conducted during the period commencing _____ (the “Start Date”) and, unless earlier terminated in accordance with this Agreement, ending _____

(the "Completion Date"). The Completion Date may be modified or extended only by mutual written agreement of the Parties.

4. **REIMBURSEMENT OF COSTS.** In consideration of the foregoing, the Sponsor shall reimburse MIT for all direct and F&A (Facilities & Administrative or indirect) costs incurred in the performance of the Research, including business class fares for international travel of faculty and staff. Total reimbursements shall not exceed the total estimated project cost of \$_____ without written authorization from the Sponsor.

5. **PAYMENT.** Payment(s) shall be made to MIT by the Sponsor in advance in U.S. dollars, excluding taxes or impost of any kind, as follows:

\$ due

Information for payment(s) by wire transfer appears in **Attachment B** to this Agreement.

A final financial accounting of all costs incurred and all funds received by MIT hereunder, together with a check for the amount of the unexpended balance, if any, shall be submitted to the Sponsor within ninety (90) days following the Completion Date or termination of this Agreement.

6. **TERMINATION.** This Agreement may be terminated by either Party upon sixty (60) days' prior written notice to the other Party. Upon termination by either Party, MIT will be reimbursed as specified in Article 4 for all costs and non-cancelable commitments incurred in connection with the Research up to and including the effective date of termination, such reimbursement not to exceed the total estimated cost specified in Article 4.

7. **CONFIDENTIAL INFORMATION.** If, in the performance of the Research, the Principal Investigator and members of the MIT research team require and accept access to the Sponsor's "Confidential Information" (as defined in **Attachment C** to this Agreement), the rights and obligations of the Parties with respect to such information shall be governed by the terms and conditions set forth in **Attachment C** to this Agreement.

8. **PUBLICATIONS.** MIT will be free to publish the results of the Research after providing the Sponsor with a thirty (30) day period in which to review each publication to identify patentable subject matter and to identify any inadvertent disclosure of Confidential Information. If necessary to permit the preparation and filing of U.S. patent applications, the Principal Investigator may agree to an additional review period not to exceed sixty (60) days. Any further extension will require subsequent agreement between the Sponsor and MIT.

9. **SPONSOR INTELLECTUAL PROPERTY**. Title to any invention conceived or first reduced to practice in performance of the Research solely by the Sponsor's personnel without significant use of MIT administered funds or facilities ("Sponsor Invention") shall remain with the Sponsor. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by the Sponsor's personnel without significant use of MIT administered funds or facilities ("Sponsor Copyright") shall remain with the Sponsor. Neither Sponsor Inventions nor Sponsor Copyrights shall be subject to the terms and conditions of this Agreement.

10. **JOINT INTELLECTUAL PROPERTY.**

A. **JOINT INVENTIONS.** The Parties shall have joint title to (i) any invention conceived or first reduced to practice jointly by employees and/or students of MIT and the Sponsor's personnel in the performance of the Research and (ii) any invention conceived or first reduced to practice by the Sponsor's personnel in the performance of the Research with significant use of funds or facilities administered by MIT (each, a "Joint Invention"). The Sponsor shall be notified of any Joint Invention promptly after an invention disclosure is received by MIT's Technology Licensing Office. MIT shall have the first right to file a patent application on a Joint Invention in the names of both Parties. All expenses incurred in obtaining and maintaining any patent on such Joint Invention shall be equally shared except that, if one Party declines to share in such expenses, the other Party may take over the prosecution and maintenance thereof, at its own expense, provided that title to the patent remains in the names of both Parties.

B. **LICENSES.** Each Party shall have the independent, unrestricted right to license to third parties any such Joint Invention without accounting to the other Party, except that the Sponsor shall be entitled to request an exclusive license to MIT's interest in a Joint Invention as provided under paragraph 11.B.2. below.

C. **JOINTLY DEVELOPED COPYRIGHTABLE MATERIALS.** Copyrightable materials, including computer software, developed in the performance of the Research (i) jointly by employees and/or students of MIT and the Sponsor's personnel, or (ii) by the Sponsor's personnel with significant use of funds or facilities administered by MIT, shall be jointly owned by both Parties, who shall each have the independent, unrestricted right to dispose of such copyrightable materials and their share of the copyrights therein as they deem appropriate, without any obligation of accounting to the other Party.

11. **MIT INTELLECTUAL PROPERTY**.

A. **MIT INVENTIONS.** MIT shall have sole title to (i) any invention conceived or first reduced to practice solely by employees and/or students of MIT in the

performance of the Research (each an “MIT Invention”) and (ii) any invention conceived or first reduced to practice by the Sponsor’s personnel with significant use of funds or facilities administered by MIT, if the invention is conceived or reduced to practice other than in the performance of the Research. The Sponsor shall be notified of any MIT Invention promptly after a disclosure is received by MIT’s Technology Licensing Office. MIT may (a) file a patent application at its own discretion or (b) shall do so at the request of the Sponsor and at the Sponsor’s expense.

B. LICENSING OPTIONS. For each MIT Invention on which a patent application is filed by MIT, MIT hereby grants the Sponsor a non-exclusive, non-transferable, royalty-free license for internal research purposes. The Sponsor shall further be entitled to elect one of the following alternatives by notice in writing to MIT within six (6) months after MIT’s notification to the Sponsor that a patent application has been filed:

1. a non-exclusive, non-transferable, world-wide, royalty-free license (in a designated field of use, where appropriate) to the Sponsor, without the right to sublicense, in the United States and/or any foreign country elected by the Sponsor pursuant to Section 11.C. below, to make, have made, use, lease, sell and import products embodying or produced through the use of such invention, provided that the Sponsor agrees to demonstrate reasonable efforts to commercialize the technology in the public interest and reimburse MIT for the costs of patent prosecution and maintenance in the United States and any elected foreign country; or
2. a royalty-bearing, limited-term, exclusive license (subject to third party rights, if any, and in a designated field of use, where appropriate) to the Sponsor, including the right to sublicense, in the United States and/or any foreign country elected by the Sponsor pursuant to Section 11.C. below, to make, have made, use, lease, sell and import products embodying or produced through the use of such invention. This option to elect an exclusive license is subject to MIT’s concurrence and the negotiation of commercially reasonable license terms and conditions and conditioned upon Sponsor’s agreement to reimburse MIT for the costs of patent prosecution and maintenance in the United States and any elected foreign country and to cause any products produced pursuant to this license that will be used or sold in the United States to be substantially manufactured in the United States.

If the Sponsor and MIT do not enter into a license agreement within three (3) months after the Sponsor’s election to proceed under paragraph 11.B.1. or 11.B.2. above, the Sponsor’s rights under paragraphs 11.B.1. and 11.B.2. will expire.

- C. FOREIGN FILING ELECTION. If the Sponsor elects a license under 11.B.1 or 11.B.2., the Sponsor shall notify MIT of those foreign countries in which it desires a license in sufficient time for MIT to satisfy the patent law requirements of those countries. The Sponsor will reimburse MIT for the out-of-pocket costs, including patent filing, prosecution and maintenance fees, related to those foreign filings.
- D. CONFIDENTIALITY OF INVENTION DISCLOSURES. The Sponsor shall retain all invention disclosures submitted to the Sponsor by MIT in confidence and use its best efforts to prevent their disclosure to third parties. The Sponsor shall be relieved of this obligation only when this information becomes publicly available through no fault of the Sponsor.
- E. COPYRIGHT OWNERSHIP AND LICENSES. Title to and the copyright in any copyrightable material first produced or composed in the performance of the Research solely by employees and/or students of MIT shall remain with MIT.
1. For any copyrights or copyrightable material other than computer software and its documentation and/or informational databases required to be delivered in accordance with Attachment A, the Sponsor is hereby granted an irrevocable, royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works, display, distribute and perform all such copyrightable materials for the Sponsor's internal purposes.
 2. The Sponsor shall be entitled to elect, by notice to MIT within six (6) months following MIT's notification or delivery to the Sponsor of computer software and its documentation and/or informational databases required to be delivered to the Sponsor in accordance with Attachment A, a royalty-free, non-transferable, non-exclusive right and license to use, reproduce, make derivative works based upon, display, and distribute to end users, such computer software and its documentation and/or databases for internal and/or commercial purposes. If the use of the software would infringe claims of a patent application filed pursuant to paragraph 11.A. above, then the Sponsor will need to elect license rights in such patent as set forth in 11.B. above in order to elect the license contemplated by this paragraph. If such computer software is a derivative of MIT software existing prior to the start of the Research, then such license may not be royalty-free.
- F. RIGHTS IN [TRP](#). In the event that MIT elects to establish property rights other than patents to any tangible research property (TRP), including but not limited to biological materials, developed during the course of the Research, MIT and the Sponsor will determine the disposition of rights to such property by separate agreement. MIT will, at a minimum, reserve the right to use and distribute TRP for non-commercial research purposes.

G. LICENSE EFFECTIVE DATE. All licenses elected by the Sponsor pursuant to Sections B., E. and F. of this Article 11 become effective as of the date the Parties sign a separate license agreement.

12. **USE OF NAMES.** The Sponsor and its affiliates shall not use the name “Massachusetts Institute of Technology” or any variation, adaptation, or abbreviation thereof, or the name of any of MIT’s trustees, officers, faculty members, students, employees, or agents, or any trademark owned by MIT, in any promotional material or other public announcement or disclosure without the prior written consent of MIT’s Technology Licensing Office, which consent MIT may withhold in its sole discretion.

13. **REPRESENTATIONS AND WARRANTIES.** MIT MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING THE RESEARCH OR ANY INTELLECTUAL PROPERTY RIGHTS AND HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF MIT OR THIRD PARTIES, CREATION, VALIDITY, ENFORCEABILITY AND SCOPE OF ANY INTELLECTUAL PROPERTY RIGHTS OR CLAIMS, WHETHER ISSUED OR PENDING, AND THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE.

IN NO EVENT SHALL EITHER PARTY, ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES, STUDENTS AND AFFILIATES, BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGES OR LOST PROFITS, REGARDLESS OF WHETHER THE PARTY WAS ADVISED, HAD OTHER REASON TO KNOW OR IN FACT KNEW OF THE POSSIBILITY OF THE FOREGOING. THIS ARTICLE 13 SHALL SURVIVE THE EXPIRATION OR ANY EARLIER TERMINATION OF THIS AGREEMENT.

14. **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.

MIT

SPONSOR

Contractual Matters

Contractual Matters

MIT Office of Sponsored Programs

77 Massachusetts Avenue, E19-750
Cambridge, MA 02139-4307 USA
Attention: [CA name]
Phone: + 1-617-
Fax: + 1-617-253-4734
Email: @mit.edu

Invoice and Payment Matters

MIT Office of Sponsored Programs
77 Massachusetts Avenue, E19-750
Cambridge, MA 02139-4307 USA
Attention: [CA name]
Phone: + 1-617-
Fax: + 1-617-253-4734
Email: @mit.edu

Technical Matters

MIT [Dept/Lab/Center]
77 Massachusetts Avenue, [Rm #]
Cambridge, MA 02139-4307 USA
Attention: [PI name]
Phone: +1-617-
Fax: +1-617-
E-mail: @mit.edu

Intellectual Property Matters

MIT Technology Licensing Office
One Cambridge Center, Kendall Square
Room NE18-501
Cambridge, MA 02142-1601
Attention: Director
Phone: 617-253-6966
Fax: 617-258-6790
Email: tlo@mit.edu

Invoice and Payment Matters

Technical Matters

Intellectual Property Matters

- 15. ASSIGNMENT.** This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Neither Party may assign this Agreement without the prior written consent of the other Party, except to a successor to all or substantially all of its business and assets. Any attempted assignment in violation of this Article 15 is void.

- 16. GOVERNING LAW.** 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 Massachusetts and the applicable U.S. Federal law.
- 17. MEDIATION.** If a dispute arises between the Parties, either Party may notify the other of its desire to mediate the dispute and the dispute shall be mediated.
- A. **MEDIATOR.** The mediation shall be conducted by a single mediator. The Party requesting mediation shall designate two (2) or more nominees for mediator in its notice. The other Party may accept one of the nominees or may designate its own nominees by notice addressed to the American Arbitration Association (AAA) and copied to the requesting Party. If within, thirty (30) days following the request for mediation, the Parties have not selected a mutually acceptable mediator, a mediator shall be appointed by the AAA according to the Commercial Mediation Rules.
- B. **NON-BINDING; EXPENSES.** The mediator shall attempt to facilitate a negotiated settlement of the dispute, but shall have no authority to impose any settlement terms on the Parties. The expenses of the mediation shall be borne equally by the Parties, but each Party shall be responsible for its own counsel fees and expenses.
- C. **FAILED MEDIATION.** If the dispute is not resolved by mediation within forty-five (45) days after commencement of mediation, each Party shall be entitled to pursue any right or other legal remedy the Party may otherwise have.
- D. **RIGHT TO SEEK EQUITABLE RELIEF.** Notwithstanding the provisions of this Section, a Party may bring suit in a court of competent jurisdiction for equitable relief from the other Party's alleged breach of its confidentiality obligations without first mediating the issue.
- 18. 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.
- 19. EXPORT CONTROLS.** Each Party acknowledges that any information or materials provided by the other under this Agreement may be subject to U.S. export laws and regulations, including the International Traffic in Arms Regulations ([ITAR, 22 CFR Chapter 1, Subchapter M, Parts 120-130](#)), Export Administration Regulations ([EAR, 15 CFR Chapter VII, Subchapter C, Parts 730-774](#)), and Assistance to Foreign Atomic Energy Activities ([10 CFR Part 810](#)); each Party agrees to comply with all such laws.

Because MIT is an institution of higher education and has many students, faculty, staff, and visitors who are foreign persons, MIT intends to conduct the Research as fundamental research under the export regulations, such that the results generated by MIT qualify as “public domain” under [ITAR Parts 120.10\(a\)\(5\) and 120.11](#) or “publicly available under [EAR Parts 734.3\(b\)\(3\) and 734.8\(a, b\)](#).

Sponsor will not knowingly disclose, and will use commercially reasonable efforts to prevent disclosure to MIT of any information subject to ITAR controls or in the Commerce Control List ([EAR Part 774 and Supplements](#)) or [10 CFR Part 810](#) Restricted Data or Sensitive Nuclear Technology. If for purposes of the Research, Sponsor intends to disclose export-controlled information to MIT, Sponsor will not disclose such information to MIT unless and until a plan for transfer, use, dissemination and control of the information has been approved by MIT’s Export Control Officer. In the event Sponsor inadvertently (i) discloses export-controlled information or (ii) breaches this Section, any deadlines contemplated by the Statement of Work will be adjusted based on the time it takes to address the disclosure.

20. **COUNTERPARTS.** This Agreement and any amendment hereto may be executed in counterparts and all such counterparts taken together shall be deemed to constitute one and the same instrument. If this Agreement is executed in counterparts, no signatory hereto will be bound until all the Parties named below have duly executed a counterpart of this Agreement.
21. **ENTIRE AGREEMENT.** Unless otherwise specified, this Agreement and its Attachments embody the entire understanding between MIT and the Sponsor with respect to the Research, and any prior or contemporaneous representations, either oral or written, are hereby superseded. No amendments or changes to this Agreement, including, without limitation, changes in the statement of work, period of performance or total estimated cost, shall be effective unless made in writing and signed by authorized representatives of the Parties.

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

**MASSACHUSETTS INSTITUTE
OF TECHNOLOGY**

SPONSOR

By _____

By _____

Name _____

Name _____

Title _____

Title _____

Date _____

Date _____

SAMPLE

ATTACHMENT A

MIT [STATEMENT OF WORK](#)

SAMPLE

ATTACHMENT B

INSTRUCTIONS FOR MAKING WIRE TRANSFERS IN USD ONLY TO MIT

Name of bank to which funds are to be wired:	Bank of America, NA
Bank address:	100 Federal Street Boston, MA 02110
WIRE PAYMENT ABA Routing Number:	026 009 593
SWIFT CODE:	BOFAUS3N
DDA Account Number:	# 004632424694 (MIT Incoming Wire)
ACH ABA ROUTING Number:	011 000 138
Wire Details: Please include Name of MIT Program, MIT Principal Investigator, MIT account number or MIT invoice number to credit:	

Sponsor, please provide as much information as possible to identify the objective of the wire transfer, such as MIT Principal Investigator's name, MIT department, MIT account number, project title or descriptor, to facilitate identification of the incoming wire transfer. If there is limited space, the MIT Principal Investigator and Research Program (Title) are probably the minimum information needed to identify the objective for the wire transfer.

Sponsor, please notify wire-transfers@mit.edu or Patricia Crosby in MIT Accounts Receivable at 1.617.253.2751, pcrosby@mit.edu, that you are making a wire transfer. Provide your company name, the name of the bank or party wiring the money, the amount of the wire, the MIT Principal Investigator, Research Program (Title) and/or account number to which this money should be transferred, and the date when the wire is expected to be made. Please include a contact at the Principal Investigator's MIT department in case of questions and the date when the wire is expected to be made.

ATTACHMENT C

SPONSOR CONFIDENTIAL INFORMATION

If, in the performance of the Research, the Principal Investigator and members of the MIT research team designated by him/her require and accept access offered by the Sponsor to certain information that the Sponsor considers confidential, the rights and obligations of the Parties with respect to such information are as follows:

1. CONFIDENTIAL INFORMATION. When used in this Agreement, “Confidential Information” means confidential and proprietary information of any kind which is disclosed by the Sponsor to MIT that (i) prior to disclosure, is marked with a legend indicating its confidential status or (ii) is disclosed orally or visually, if the Sponsor identifies such information as confidential at the time of disclosure and, within 30 days of such disclosure, delivers to the Principal Investigator a notice summarizing the confidential information disclosed. Notwithstanding the foregoing, in no event is information Confidential Information if it (a) was in MIT’s possession before receipt from the Sponsor; (b) is or becomes a matter of public knowledge through no fault of MIT; (c) is received by MIT from a third party having an apparent bona fide right to disclose the information without a duty of confidentiality to the Sponsor; or (d) is independently developed by MIT without use of the Confidential Information.
2. LIMITATIONS ON USE. MIT shall use the Confidential Information solely for the purposes of the Research. Disclosure by the Sponsor of the Confidential Information does not constitute a grant to MIT of any right or license to the Confidential Information except as set forth herein or in a duly executed license agreement.
3. CARE OF CONFIDENTIAL INFORMATION. MIT shall exert reasonable efforts to maintain the Confidential Information in confidence, except that MIT may disclose or permit disclosure of any of the Confidential Information to its directors (members of the MIT Corporation), officers, employees, consultants, advisors, students, subcontractors and agents, who need to know such Confidential Information in the performance of the Research and who have been advised of and have agreed to maintain the confidential nature of the Confidential Information.

MIT shall be deemed to have discharged its obligations hereunder provided MIT has exercised the foregoing degree of care and provided further that MIT shall immediately, upon discovery of any disclosure not authorized hereunder, notify the Sponsor and take reasonable steps to prevent any further unauthorized disclosure or unauthorized use.

MIT's obligations of confidentiality with respect to use and non-disclosure of Confidential Information provided under this Agreement shall survive for a period of three (3) years following receipt of the information.

4. REQUIRED DISCLOSURES. Nothing in this Agreement shall be construed to prevent MIT from disclosing Confidential Information as required by law or legal process, as long as MIT, if permitted by applicable law, promptly notifies the Sponsor of its obligation to disclose and provides reasonable cooperation to the Sponsor in any efforts to contest or limit the scope of the disclosure.
5. RETURN OR DESTRUCTION OF CONFIDENTIAL INFORMATION. When the Confidential Information is no longer required for the purposes of this Agreement, MIT shall, at the direction of the Sponsor, either destroy or return to the Sponsor all Confidential Information and shall destroy any electronic or digital manifestations of the Confidential Information, except that MIT may retain one copy of the Confidential Information solely for the purposes of monitoring its obligations under this Agreement.

SAMPLE

Annotations

Mutual interest: Research projects undertaken by MIT in collaboration with industry provide opportunities for mutual learning and resources to advance MIT research and education, and may lead to discoveries that significantly benefit the public, thereby supporting MIT's mission.

1. **Reasonable efforts:** Since fundamental research is by nature unpredictable and without guarantee of success, MIT research is conducted on a reasonable efforts basis. MIT cannot accept contract provisions which establish firm performance deadlines, impose penalties for failure to complete the statement of work within the estimated cost, or provide for withholding of payment if the sponsor is not satisfied with the results.

4. **Direct costs** are labor, materials, travel, student tuition, purchased equipment, consultant fees, and subcontracts.

4. **F&A** (financial and administrative, also known as indirect) **costs** cover occupancy, facilities and general research support functions.

5. **Payment in advance:** As a non-profit institution, MIT cannot spend funds needed to support its educational programs to support sponsored research projects. Thus MIT must receive funds in advance of sponsored research activities to enable these activities to proceed. Furthermore, due to the unpredictable nature of fundamental research, results are uncertain and therefore MIT cannot agree to payment arrangements that are based upon attaining specific milestones or delivering specified research results.

5. **Excluding taxes:** Because MIT is a non-profit 501(c)(3) institution, taxes should not be assessed upon sponsored research payments. However, if taxes *are* assessed by a taxing authority in the US or a foreign country, the Sponsor must pay these taxes so the funds committed to supporting the research are not reduced.

6. **Non-cancellable commitments** typically include non-reversible contractual obligations already incurred plus support of students through the end of the academic calendar unit in which termination occurs.

8. **Publications:** Research at MIT is considered fundamental research, the results of which are shared broadly within the scientific and academic communities. Furthermore, timely publication of research results in the most respected academic, peer-reviewed journals and conferences is essential to the career advancement of MIT's faculty, research associates and graduate students. Nevertheless, MIT recognizes a Sponsor's interests in preventing its confidential information from inadvertent public disclosure, and in protecting patentable results, and provides Sponsor with a 30-day pre-publication review for this purpose.

11. INTELLECTUAL PROPERTY: Title to inventions or copyrightable materials arising during a sponsored research program is assigned to the employer of the inventor/author:

- to MIT if created by an MIT employee or student
- to the Sponsor if created by an employee of the Sponsor
- or jointly to MIT and the Sponsor if created jointly by inventors/authors from both parties.

Licensing options provide the routes that enable the Sponsor to practice MIT-developed project Intellectual Property in the Sponsor's research and commercial activities.

11. other than in the performance of the Research. If an employee of the Sponsor develops an invention or a copyrightable work using MIT-administered funds or facilities, the Sponsor and MIT will jointly own those inventions and works *as long as they result from the research described in the agreement*. However, if an employee of the Sponsor makes an invention using MIT-administered funds or facilities *for research not covered under the Agreement*, MIT will solely own that invention. (This latter situation should not occur.) This condition is required to comply with US tax regulations that forbid the use of MIT's tax-exempt facilities for the sole benefit of a private user.

11. entitled to elect (licenses): US tax regulations (IRS Revenue Procedure 2007-47) prohibiting private business use of MIT's tax-exempt facilities prohibit MIT from granting commercial licenses to intellectual property *before the specific technology to be licensed is actually developed*. MIT cannot grant commercial licenses in the Sponsored Research Agreement because no inventions have yet been made as a result of the Agreement. Therefore, in the Agreement, MIT can only provide Sponsors with *options to elect* commercial licenses to practice IP that may arise from the proposed research.

11.B.2. substantially manufactured in the United States. This US federal government requirement must be acknowledged in the Agreement because US government funding supports about 80% of the research at MIT. Even when no federal funds directly support a research project, there may be background research relevant to the research project that was developed with US federal funds. *When manufacture in the US is required by law, and a licensee requests a waiver of this requirement, MIT will assist the licensee in applying to the US government for this waiver but cannot guarantee it will be granted.*

11.F. TRP: Tangible Research Property (TRP) is tangible (or corporeal) items produced by MIT in the course of research projects. TRP may include but is not limited to such items as biological materials, engineering drawings, integrated circuit chips, prototype devices, circuit diagrams, and fabricated equipment.

13. Representations and Warranties: Fundamental research is by nature risky and novel, and may be used by sponsors or their agents for applications not expected or intended by MIT, including commercial product development. Use of research deliverables should be at the sponsor's risk only. MIT will not make any representations regarding the application of research deliverables. In addition, while MIT maintains reasonable policies to address the potential for IP infringement, we cannot ensure that

such allegations will not arise, regardless of whether they are without merit. MIT will not warrant that exploitation of the research will not infringe any third-party IP rights.

Liability: It is appropriate to exclude such damages from recovery under a research agreement involving a non-profit organization like MIT; otherwise the non-profit organization's ability to engage in research would be severely restricted due to the risk of this potential financial exposure, which may be difficult to evaluate until a claim arises.

Attachment A: The statement of work for the research project is inserted here and thus becomes a part of the Agreement.

Attachment C: The rules governing the disclosure of Sponsor's confidential information to the MIT research project team, and MIT's obligations to protect the confidential information, are set forth here and are consistent with the terms of MIT's standard non-disclosure agreements.

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