

**Intellectual Property and HHMI Employees:
A Guide for Host Institutions**

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Introduction

HHMI has established agreements with each of its host institutions that govern the inter-institutional relationship between HHMI and the host. This guide focuses on one aspect of that relationship, namely, the disposition of intellectual property developed in HHMI laboratories at the host institution. The guide summarizes HHMI's policies and procedures with respect to [disclosure and assignment of inventions](#), [patenting and other intellectual property protection](#), [licensing of inventions](#), and [abandonment of inventions](#), and should be used as a resource for handling all intellectual property arising from the work of HHMI employees.

This guide is intended to provide basic information about HHMI's invention policies and procedures. Please direct any questions you may have to the HHMI attorney responsible for the HHMI site at your institution (the "[HHMI Site Attorney](#)") or to [HHMI's Manager of Intellectual Property](#). See also HHMI's [Policy on Licensing by Host Institutions to Companies](#).

Disclosure and Assignment of Inventions

Reporting Invention Disclosures. HHMI investigators at your institution are instructed to report to your institution, in the manner prescribed by your institution, any inventions or discoveries made by them or their laboratory personnel. HHMI has an interest in any such invention or discovery as to which at least one inventor is an HHMI employee ("HHMI Invention" or "Invention"). If you are not certain whether a particular inventor is an HHMI employee, you should contact [HHMI's Manager of Intellectual Property](#).

When you receive an Invention disclosure, you should send a copy by e-mail or by mail to the attention of [HHMI's Manager of Intellectual Property](#) or to your [HHMI Site Attorney](#) at the Howard Hughes Medical Institute, 4000 Jones Bridge Road, Chevy Chase, MD 20815-6789. The following information should be reported:

- Notice of the Invention in the form of a copy of the disclosure form, a provisional patent application, or other descriptive information, such as a manuscript. If a manuscript is provided as the Invention disclosure, the inventors (as distinct from the authors) must be clearly identified;
- If you are aware that scientists at other institutions are or could be co-inventors, the names and institutions of those other scientists;
- The disclosure date;
- The invention number your institution has assigned to the Invention;
- Whether your institution plans to patent the Invention;
- Whether your institution considers the Invention to be, or to include, a research tool; and;

- If you are using the "proportional" method for sharing costs and revenues (see [expense sharing](#)), the preliminary determination of HHMI's share, including the relative contributions of each inventor if under your institution's policies all inventors are not treated as having contributed equally.

Assignment of Inventions. HHMI laboratory employees agree at the outset of their employment to assign to HHMI their rights in all inventions they make during the course of their HHMI employment. HHMI has agreed with your institution to convey its interest in Inventions to your institution subject to an HHMI-wide research use license. Rights in Inventions are conveyed from the inventor(s) to HHMI and from HHMI to your institution through the following three steps:

1. Upon receipt of notice of an Invention, HHMI sends to each inventor who is an HHMI employee (or was an HHMI employee when he or she contributed to the Invention) a form by which the employees assign their interests in the Invention to HHMI. HHMI does not send assignments to inventors who work in the HHMI laboratory but who are not HHMI employees, or who were not HHMI employees when they made their inventive contribution. Each HHMI inventor executes the HHMI assignment and returns it to HHMI. A form of the HHMI assignment is found in [Appendix A](#).
2. After HHMI has received executed assignments from each HHMI employee/inventor, HHMI sends an Appointment of Investigator as Agent form to the principal HHMI Investigator on the Invention. A form of appointment used for this purpose is found in [Appendix B](#). This document appoints the HHMI Investigator as HHMI's agent for purposes of assigning HHMI's interest in the Invention to your institution, subject to HHMI's retained research use license (see [required HHMI license provisions](#)).
3. HHMI advises the Investigator who has been appointed HHMI's agent for this purpose that the Investigator is authorized to execute any assignment of the Invention in connection with your institution's application for a patent in such a manner as to convey HHMI's interest in the Invention to your institution. In particular, the Investigator is instructed to note that he or she is executing the assignment on behalf of the Howard Hughes Medical Institute. It is important that the assignment document you use correctly identifies the Investigator and does not, for example, recite that the Investigator is an employee of your institution. We recommend that you work with your patent counsel to ensure that the assignment documents that are prepared for the signature of HHMI Investigators are in an appropriate form and are provided at the appropriate time. A representative of your office receives a copy of the Appointment of Investigator as Agent correspondence as well as all of the inventors' original assignment(s).

- Note: If you notify HHMI that an Invention is not expected to be the

subject of a patent application, HHMI will execute an assignment directly to your institution after it has collected assignments from its inventor(s). HHMI will also execute an assignment directly to your institution when the HHMI Investigator/inventor is no longer an employee of HHMI or has left your institution, or when no HHMI Investigator is an inventor on the Invention. In these situations, you should not ask the HHMI Investigator/inventor to execute an assignment to you unless the [HHMI Site Attorney](#) has been consulted in advance.

- Note: HHMI will accommodate requests by your institution to delay the start of its assignment process, for example if more time is needed after the invention disclosure is filed to identify all of the inventors. It is possible that, after completion of HHMI's assignment process, you may discover that there were additional HHMI inventors. In that situation, please contact [HHMI's Manager of Intellectual Property](#) to discuss what additional steps need be taken to assure that all of HHMI's rights in the Invention have been assigned to your institution.

Patenting and Other Intellectual Property Protection

In General. Under HHMI's collaborative arrangements with its host institutions, the host institution generally has responsibility for making decisions about pursuing, maintaining, and enforcing patent, copyright or other intellectual property rights in HHMI Inventions arising at the site.

Reporting Patenting Information. HHMI does not require that you provide copies of most documents generated in the course of prosecuting the patent. You need to report only the following information to [HHMI's Manager of Intellectual Property](#) or to the [HHMI Site Attorney](#) in connection with each patent filing:

- The invention number your institution has assigned to the Invention;
- The type of application (CIP, CON, PROV, etc.), the application number, the date of filing, and the title of the Invention as shown on the patent application. (There is no need to submit a copy of the patent application.) If the Invention is related to one or more other HHMI Inventions, please provide the name(s) of and your invention number(s) for the other Invention(s);
- For each patent application, information on whether a foreign patent application will be filed;
- Notice of the abandonment of a patent application or issued patent; and
- If a patent issues, the date of issuance and the number of the issued patent.

HHMI will sign a small entity statement upon request.

Expense Sharing. HHMI shares the reasonable out-of-pocket costs of protecting intellectual property rights in HHMI Inventions, such as patent attorneys' fees and filing fees. When requesting payment from HHMI, please be sure to enclose a copy of the invoice or other documentation associated with the costs incurred. We also request that each invoice be referenced to your invention number and to the invention number that HHMI has assigned to the Invention giving rise to the costs.

HHMI shares out-of-pocket costs either "proportionally" or "equally." Your institution's desired sharing method is generally selected at the time the HHMI/institution relationship commences and is applied to all HHMI Inventions. You should ascertain which method your institution has chosen.

- Under the proportional method, HHMI's percentage of the costs is equal to one-half of the aggregate percentage contribution of the HHMI inventor(s) to the Invention. If this percentage is not known at the time expenses are first incurred, HHMI will assume that all inventors have contributed equally to the Invention for purposes of determining HHMI's proportional share. If the allocation among inventors changes when revenues are received, the percentage should be adjusted accordingly and revenues should be allocated, as appropriate, to reflect the revised percentage. An illustration of the calculation of HHMI's share under this method is found in [Appendix C](#).
- Under the equal sharing method, HHMI's share is one-half of all costs relating to the Invention, regardless of the contribution of HHMI inventors to the Invention.

The same principles apply to royalty sharing. See [royalty sharing with HHMI](#).

Unless you have made other arrangements with HHMI, you should invoice HHMI no less frequently than twice per calendar year. If bills are presented more than one year after the expenses were incurred, HHMI will generally not pay them. If you have questions about the form or frequency of these invoices, please contact [HHMI's Manager of Intellectual Property](#).

Indirect Costs. HHMI does not pay indirect costs with respect to its research activities at host institutions. Consistent with that operating principle, HHMI generally does not pay management fees to its host institutions or to affiliates of its host institutions in connection with the commercialization of intellectual property developed at the host institution. Affiliates include, for example, foundations set up to manage commercialization of technology developed at the host institution.

Licensing of Inventions

In General. HHMI is not a party to, and does not sign, licenses of HHMI Inventions. Under HHMI's collaborative arrangement with your institution, you generally have responsibility for negotiating, implementing, and overseeing such licenses in a manner consistent with HHMI policies. For example, your institution is under an obligation to include certain provisions for HHMI's benefit in any license of an HHMI Invention to a company. An explanation of the [required HHMI license provisions](#) is below. HHMI generally will defer to you on license provisions other than HHMI's required provisions as long as they are otherwise consistent with HHMI policies; for example, HHMI will defer to you on the appropriate amount and timing of payment of consideration for a license but may object to provisions obligating HHMI laboratories to disclose to or discuss with a licensee future research results before they are published or otherwise become generally available.

Expense Sharing. HHMI shares the reasonable out-of-pocket costs of commercializing HHMI Inventions, such as outside counsel fees for negotiating licenses. These costs should be invoiced to HHMI no less frequently than twice per calendar year. If bills are presented more than one year after the expenses were incurred, HHMI will generally not pay them.

HHMI Review. Unless other arrangements have been specifically agreed to with HHMI, HHMI expects you to provide to [HHMI's Manager of Intellectual Property](#) a close-to-final draft license of any HHMI Invention to a company prior to execution, so that it can be reviewed to ensure that the required provisions have been included and that it otherwise complies with HHMI policies. You are also expected to provide to [HHMI's Manager of Intellectual Property](#) a copy of the final license after it has been signed by all parties.

Inter-Institutional Agreements. Your institution may enter into an inter-institutional agreement ("IIA") with other non-profit organizations or government agencies that have an interest in an HHMI Invention, and the IIA may provide that an organization or agency other than the host will take the lead on commercialization. In this situation, the IIA must provide that the lead organization or agency will include HHMI's required license provisions in any commercial license of the HHMI Invention and otherwise ensure that such licenses are consistent with HHMI policies. HHMI will review a close-to-final draft of the IIA to confirm that this is the case.

Although HHMI does not generally pay management fees to its host institutions or their affiliates, HHMI recognizes that host institutions may not be able to prevent other organizations from assessing a management fee in situations where the other organizations are taking the lead on commercializing technology. Accordingly, HHMI will not object to an IIA providing for a reasonable management fee for a lead organization or agency other than your institution at which the technology was developed or an affiliate of your institution.

HHMI Research Tools Policy. Under HHMI's [Policy on Research Tools](#), which is

consistent with the NIH guidelines on obtaining and disseminating research resources, HHMI expects its host institutions to ensure that unique research resources arising in HHMI laboratories are made available to the scientific research community on reasonable terms and in a manner that enhances their widespread availability. When you propose to license on an exclusive basis a research tool developed in an HHMI laboratory, HHMI generally will require you to show how the research tool will be made available to the scientific research community on terms that are consistent with HHMI policy. Questions about HHMI's Policy on Research Tools should be directed to the [HHMI Site Attorney](#).

HHMI Policy on Sharing Publication-Related Materials, Data and Software. Under HHMI's [Policy on Sharing Publication-Related Materials, Data and Software](#), HHMI Investigators are expected to make materials, data and databases, and software that are integral to their publications available for use by other scientists. When a host institution proposes to license on an exclusive basis materials, data or databases, or software that have been published by an HHMI Investigator, HHMI generally will require the host institution to show how the Investigator will be able to fulfill his or her obligations under HHMI's sharing policy. Questions about HHMI's sharing policy should be directed to the [HHMI Site Attorney](#).

Required HHMI License Provisions. HHMI requires that certain provisions be included in every license of an HHMI Invention. See [Appendix D](#) for language acceptable to HHMI for the provisions required by HHMI, including language for provisions relating to the following requirements:

- Scope of Rights. In general, HHMI does not review the financial terms of the license, but it does require that the scope of rights in future technology granted under the license not go beyond that needed to ensure that the licensee will be in a position to commercialize the Invention already in being.
- Indemnification and Insurance. HHMI requires that it, and its trustees, officers, employees, and agents, be indemnified and held harmless by licensees and sublicensees against any claims, liabilities, and other costs (including reasonable attorneys' fees) based on or arising out of the license. If a licensee asks for notice and settlement rights, HHMI may ask for certain limitations on those rights. HHMI also asks for the same insurance protection as your institution receives under the license, but does not need to receive certificates of insurance from the licensee.
- Retained Research License. The license must reflect the fact that HHMI retains an institution-wide, paid-up, non-exclusive irrevocable license to use the intellectual property for its research purposes (without the right to sublicense or assign). Please note that HHMI considers this retained research license to cover use of licensed technology in HHMI laboratories in collaboration with commercial entities.

- Third-Party Beneficiary Status. The license must describe HHMI's status and rights as a third-party beneficiary.
- Arbitration. Any dispute over the HHMI provisions of a license must not be subject to binding arbitration, unless HHMI so agrees after the dispute arises.
- Survival Terms. The HHMI indemnification and third-party beneficiary provisions must survive termination of the license.

Royalty Sharing with HHMI Inventors. The share of license income (including royalties, maintenance, milestone, and other fees) to which an HHMI inventor is entitled is determined under your institution's royalty-sharing policies. In general, HHMI expects your institution to recoup its and HHMI's out-of-pocket costs, and reimburse HHMI, before it makes any distributions of income to inventors.

Royalty Sharing with HHMI. The share of license income to which HHMI is entitled is determined based on the method of sharing expenses selected by your institution, as described in this guide's section on [expense sharing](#). In other words, if your institution has elected the proportional method, HHMI's share of license income is the same as its proportional contribution to costs. If your institution has elected the equal sharing method, HHMI's share of license income is 50 percent.

Under either sharing method, HHMI's share of license income is calculated after the distribution of the inventors' shares, and, unless expressly agreed otherwise, is not reduced by any management fee charged by your institution. HHMI expects that your institution will distribute to HHMI its share of net income from a license as promptly as possible after your institution receives payment from the licensee, given your standard schedule for making royalty distributions (e.g., quarterly). If you have questions about the form or frequency of remittances or reporting license income, please contact [HHMI's Manager of Intellectual Property](#).

Please note that (except as discussed in [licensing of unpatented inventions](#)) HHMI's share of license income is payable to HHMI as an institution and generally should not be returned either in whole or in part to the inventor's laboratory. HHMI's policy does not affect the implementation of your institution's policy, which may provide for a portion of royalties from your institution's share of license income to be directed to the inventor's laboratory. You should contact your [HHMI Site Attorney](#) if you have questions about distribution of license proceeds in a particular case.

HHMI generally regards any consideration paid by a licensee to your institution in connection with the licensing of an HHMI Invention as license income subject to institutional sharing. This generally does not apply to payments that are not consideration for the license, however, such as support for additional research that a licensee provides to a non-HHMI laboratory. In addition, as noted below, there is an exception where a laboratory charges a fee of \$5,000 or less in connection with a license of unpatented materials.

March-in Rights. Under its collaborative arrangements with host institutions, HHMI retains march-in rights with respect to Inventions. In general, this retained right permits HHMI to require licensing or distribution of an Invention where necessary to meet the needs of public health or safety if, in HHMI's judgment, your institution has not taken effective steps within a reasonable time to achieve practical application of an Invention. HHMI will not exercise its march-in rights unless it is clear that your institution has not made a good-faith effort to license an Invention to an appropriate licensee.

Confidentiality. Unless otherwise required by law, HHMI will maintain in confidence the information included in disclosures of and patent applications of Inventions, and any confidential information provided to it by your institution about the patenting or licensing of such Inventions, until that information becomes public or you inform us that the information need not be treated as confidential. If HHMI receives a subpoena or other legal request to provide the information to a third party, HHMI will consult with your institution before responding.

Royalties in the Form of Securities. Although HHMI recognizes that a host institution may accept securities as consideration for a license, to avoid the possible conflict of interest (actual or apparent) that can arise from holding stock in a licensee company, HHMI does not accept its share of licensing consideration in the form of securities. Instead, if your institution accepts securities as consideration for a license, it should retain all of the securities and distribute to HHMI its share of any cash proceeds after receipt of those proceeds (for example, cash dividends and sale proceeds). Specifically, HHMI's procedures regarding the securities held by your institution and attributable to HHMI under the royalty sharing arrangements noted above ("HHMI Securities") are as follows:

- The HHMI Securities are issued to and held by your institution. Accordingly, HHMI at no time has custody or voting rights of the securities, and HHMI has no role, formal or informal, in deciding whether or when to dispose of the securities.
- Your institution decides whether and when to dispose of the HHMI Securities according to its own internal rules and in the context of its own investment strategy.
- HHMI has an income interest in any cash arising from the HHMI Securities, whether in the form of dividends, distributions or sale proceeds. You will notify HHMI of any dividend, distribution or sale and promptly distribute the cash to HHMI.
- You should contact your [HHMI Site Attorney](#) if you have questions relating to the receipt of securities.

Research Funding in Connection with Licenses. HHMI recognizes that a commercial licensee will often provide research funding to an academic laboratory in

connection with a license of intellectual property developed in that laboratory. Because HHMI does not permit commercially sponsored research in its laboratories, such funding cannot be provided to an HHMI laboratory in connection with a license of an HHMI Invention. Research funding may be provided to a non-HHMI laboratory to continue work on the development of the licensed technology, but rights in future technology that may be developed by an HHMI laboratory cannot be conveyed as part of the funding arrangement. You should contact your [HHMI Site Attorney](#) if you have questions about research funding in connection with a license.

Gifts in Connection with Licenses. HHMI permits its investigators or laboratories to receive unrestricted gifts from companies. If a company that has licensed technology developed in an HHMI laboratory proposes to make a gift to support research in that laboratory, HHMI will review the proposed gift carefully to ensure that it is not a form of sponsored research to continue work on the licensed technology or other projects, or equivalent to a component of royalties or other compensation for the licensed technology. You should contact your [HHMI Site Attorney](#) if you have questions about gifts to its investigators.

Licensing to Start-up Companies. If you are considering licensing an Invention to a newly formed company that is being established to develop the Invention, please be sure to work closely with your [HHMI Site Attorney](#) to ensure that the scope of rights granted under the license is consistent with HHMI policies. You should also be aware that HHMI consulting policies place restrictions on the nature and scope of services that an HHMI investigator can perform for a commercial company as well as the total equity an investigator can own in the company. These policies must also be taken into account in structuring any transactions with a start-up company that involve an HHMI Investigator or an HHMI Invention. See HHMI's [Policy on Consulting for Companies](#) and [Start-Up Handbook](#) for further information on these matters. HHMI policies do not bar licensing to start-up companies where such a strategy appears to be an appropriate approach to commercializing the Invention in question. It is important, however, that you inform your [HHMI Site Attorney](#) of this possibility early in the process so as to ensure compliance with HHMI policies and to avoid unnecessary delays.

Licensing of Unpatented Inventions. You may wish to commercialize Inventions that have not been and will not be patented. In general, if the fee imposed for the transfer of such an Invention is \$5,000 or less, and your institution intends to direct the full amount to the laboratory in which the Invention was developed, HHMI will not object and will claim no share of the fee. As a general rule, however, fees in excess of \$5,000 for such Inventions will be subject to the assignment and income-sharing policies set forth above, regardless of whether the transaction is cast as a license, material transfer, gift, bailment, or otherwise. In addition, HHMI reserves the right to have the assignment and income-sharing policies described here apply in cases where your institution establishes a program of licensing HHMI Inventions at a fee of \$5,000 or less per license, even if the full amount is directed to the laboratory in which the HHMI Invention was developed.

As provided in HHMI's [Policy on Sharing of Publication-Related Materials, Data](#)

[and Software](#), HHMI investigators may at their discretion request or require that scientists requesting materials reimburse the providing HHMI investigator's laboratory for costs directly associated with filling the request, such as postage, packaging, and cost of reproducing the materials (but not overhead, profit, or a pro rata share of the costs of research). Similarly, your institution may impose a modest processing fee on transfers of materials from the laboratories of HHMI investigators. Provided that the fee is retained by the laboratory or a host facility that paid costs that the fees are intended to cover, these processing fees are considered to be in the nature of an administrative charge rather than licensing revenue. Host institution processing fees of more than \$5,000 per transfer are not considered modest.

Because HHMI laboratories should not serve as production facilities for research materials, a commercial license of research materials should not call for multiple shipments of materials from the HHMI laboratory.

Abandonment of Inventions

If your institution decides to abandon all efforts to commercialize an Invention, you should notify [HHMI's Manager of Intellectual Property](#) to provide an opportunity for HHMI to assert rights in the Invention. HHMI will ordinarily decline to assert rights, and will provide written confirmation to that effect on request.

If your institution proposes to release an HHMI Invention to the inventor(s), it should also notify [HHMI's Manager of Intellectual Property](#) to provide an opportunity for HHMI to assert rights in the HHMI Invention. HHMI will ordinarily decline to assert rights beyond the non-exclusive, royalty-free, perpetual license to use the Invention for its own research purposes, which HHMI retains with respect to all Inventions. HHMI also asks that HHMI's indemnification language be included in any licenses of the Invention by the inventor(s). In addition, if your institution is receiving reimbursement and a share of any future income, HHMI will also expect to receive reimbursement and a share of future income.

APPENDIX A

Assignment

Assignment made _____ 20_, by _____ ("Inventor") to the Howard Hughes Medical Institute, a Delaware corporation (the "Institute").

Recitals

WHEREAS, Inventor is an employee of the Institute and, as a condition of [his/her] employment, has signed the Agreement appended to the Institute's Policy on Intellectual Property (the "Intellectual Property Agreement");

WHEREAS, pursuant to the Intellectual Property Agreement, Inventor has agreed (a) to assign to the Institute all rights [he/she] may acquire in any invention, discovery, improvement, or other intellectual property, whether or not patentable or copyrightable, developed directly or indirectly as a result of a program of research financed by Institute funds or by funds under the control of the Institute (each a "Subject Property") and (b) to execute any agreements that may be desired by the Institute in connection with such assignment;

WHEREAS, Inventor has, alone or with others, invented "[Invention title]" which may be the subject of a patent application (the "Invention"), and the Invention is a Subject Property; and

WHEREAS, Inventor seeks to make a formal assignment of [his/her] interest in the Invention to the Institute, and the Institute desires the execution of a formal assignment of all of Inventor's right, title, and interest in the Invention.

NOW, THEREFORE, in consideration of the promises contained in and the acts performed and to be performed pursuant to the Intellectual Property Agreement and of other good and valuable consideration, the receipt of which is hereby acknowledged by Inventor, Inventor agrees as follows:

1. Assignment. Inventor hereby assigns to the Institute [his/her] entire right, title, and interest in the Invention; any United States patent applications and all corresponding foreign patent applications which are directed to the Invention and any and all patents issued therefrom; all United States or foreign division and continuation applications based on any of the foregoing, and any and all patents issued therefrom; and all claims which are directed to the Invention and which may be contained in continuation-in-part applications or in patents which issue therefrom.

2. Cooperation. Inventor agrees to execute upon request such further assignments, documents, and other instruments as may be necessary or desirable to assign Inventor's entire right, title and interest in the Invention to the

Institute and to assist the Institute (or others at the direction of the Institute) in applying for, obtaining, and enforcing patents, copyrights, or other rights in the United States and in any foreign country with respect to the Invention.

3. Parties. The terms and provisions of this Assignment shall inure to the benefit of the Institute and its successors and assigns and shall be binding on Inventor and [his/her] heirs, personal representatives and assigns.

4. Warranty. Inventor warrants and represents that [he/she] has not entered into any assignment, contract, or understanding in conflict herewith, and that there is no other person or entity whose consent is required in order for the Inventor to make the assignment contained herein.

Inventor: _____

State/Commonwealth of _____
County of _____

Then personally appeared before me the above-named _____ and acknowledged that [he/she] executed the foregoing instrument as [his/her] free act and deed this ___ day of _____, 20__.

(SEAL) _____ Notary Public
_____ (print name)

My Commission expires _____

[HostInventionNum]
[HHMIInventionNum]

APPENDIX B
Appointment of Investigator as Agent

Appointment by the Howard Hughes Medical Institute (the "Institute") of Dr. _____, an investigator employed by the Institute, as its agent for the purpose of assigning certain rights to [Host] (the "[Institution]").

WHEREAS, the Institute and the [Institution] collaborate in the active conduct of medical research pursuant to a Collaboration Agreement between them dated as of [Date] (the "Collaboration Agreement");

WHEREAS, pursuant to the Collaboration Agreement, the Institute has agreed to assign to the [Institution] the Institute's rights with respect to inventions, discoveries, improvements, and other intellectual property, whether patentable or copyrightable (each a "Subject Property"), conceived or reduced to practice in the course of the research program conducted under the Collaboration Agreement by employees of the Institute;

WHEREAS, research conducted pursuant to the Collaboration Agreement by Dr. _____ while employed by the Institute at the [Institution] has resulted in the invention of a certain Subject Property entitled "[Invention title]," (the "Invention"), and the Invention is a Subject Property; and

WHEREAS, the Institute wishes Dr. _____ to act as its agent for the purpose of assigning to the [Institution] the rights the Institute has in the Invention by reason of the research program conducted at the [Institution],

NOW, THEREFORE, the Institute hereby appoints

Dr. _____ as its agent for the purpose of assigning the rights the Institute has in the Invention by reason of the research program conducted at the [Institution] to the [Institution] in accordance with and subject to the conditions of the Collaboration Agreement.

Executed _____, 20[YY]

HOWARD HUGHES MEDICAL INSTITUTE

By: _____
Vice President and Chief Scientific Officer

ATTESTED:

Vice President and General Counsel

[HostInventionNum]
[HHMIInventionNum]

APPENDIX C

Illustration of Calculation of HHMI's Share of Costs and Royalties Relating to Inventions Using the Proportional Method

Example 1. Assume that the Invention is invented solely by an Institute investigator. HHMI's share of net royalties with respect to such Invention (after payment of costs and distribution of the inventor's share) would be 50%, one-half of the fraction (100%) that fairly reflects the contribution of the HHMI investigator to the development of the Invention.

Example 2. Assume that the Invention is invented jointly by an HHMI investigator (Dr. Hughes) and an investigator at the host institution who is not an HHMI employee (Dr. Host). Assume, further, that the two inventors agree that, based on their relative contributions to the development of the Invention, Dr. Hughes should receive 30% and Dr. Host should receive 70% of the inventors' shares of net royalties. HHMI's share of net royalties with respect to such Invention (after payment of costs and distribution of the inventors' shares) would be 15%, one-half of the fraction (30%) that fairly reflects the contribution of the HHMI investigator to the development of the Invention.

Example 3. Assume that the Invention is invented jointly by an HHMI investigator (Dr. Hughes), another HHMI employee in Dr. Hughes's laboratory, and an investigator at the host institution who is not an HHMI employee (Dr. Host). Assume, further, that the inventors agree that, based on their relative contributions to the development of the Invention, Dr. Hughes should receive 40%, the other HHMI employee should receive 20%, and Dr. Host should receive 40% of the inventors' shares of net royalties. HHMI's share of net royalties with respect to such Invention (after payment of costs and distribution of the inventors' shares) would be 30%, one-half of the fraction (60%, the sum of the contributions of the two Institute employees) that fairly reflects the contribution of the HHMI employees to the development of the Invention.

Example 4. Assume that the Invention is invented jointly by an HHMI investigator (Dr. Hughes) at Host University and by an investigator at a different academic institution, Other University, who is not an HHMI employee. Assume, further, that the inventors and the technology transfer offices of the two universities agree that, based on the relative contributions of each scientist to the development of the Invention, Host University owns a 70% share of the Invention and Other University owns a 30% share, and that all costs and royalties relating to the Invention will be shared between the two institutions in such proportions. HHMI's share of Host University's net royalties with respect to such Invention (after payment of costs and distribution of Dr. Hughes's share) would be 50%, one-half of the fraction (100%) that fairly reflects the contribution of Dr. Hughes to the development of the Invention at Host University. Viewed as a share of total royalties from the Invention, HHMI's share of net royalties after inventors' shares and costs would be only 35%, one-half of the 70% attributable to Host University.

Note: In all of these illustrations, if there were only costs and no net royalties, HHMI's share of the costs would be determined in the same manner.

APPENDIX D

Required HHMI License Provisions Standard Language

Identification of HHMI Investigators

If inventors are named in the license, HHMI investigators and HHMI inventor/employees should be properly identified as employees of the Howard Hughes Medical Institute doing research at the HHMI laboratory at the University. The following is model language that is acceptable to HHMI:

The invention was made by Dr. _____, an employee of the Howard Hughes Medical Institute at its laboratory at the University.

HHMI Research Use License

The license must reflect the fact that HHMI retains an institution-wide, paid-up, non-exclusive irrevocable license to use the intellectual property for its research purposes (without the right to sublicense or assign). The following is model language that is acceptable to HHMI:

Licensee acknowledges that it has been informed that the [licensed technology] was developed, at least in part, by employees of HHMI and that HHMI has a paid-up, non-exclusive, irrevocable license to use the [licensed technology] for HHMI's research purposes, but with no right to assign or sublicense (the "HHMI License"). This license is explicitly made subject to the HHMI License.

Scope of Rights

HHMI requires that the scope of rights in future technology granted under a license not go beyond what is needed to ensure that the licensee will be in a position to commercialize inventions that are already in being. The following is model "patent rights" language that is acceptable to HHMI:

"Patent rights" shall mean and include all of the following [host institution] intellectual property:

The United States patents and/or patent applications listed in Appendix A [to the license]; United States patents issued from the applications listed in Appendix A and from divisionals and continuations of these applications and any reissues of such United States patents; claims of continuation-in-part applications and

patents directed to subject matter specifically described in the applications listed in Appendix A; and claims of all foreign patent applications, patents, and other intellectual property which are directed to subject matter specifically described in the United States patents and/or patent applications listed in Appendix A.

Indemnification Provision

HHMI requires that it and its trustees, officers, employees and agents be indemnified and held harmless by licensees against claims based on or arising out of the license. The following is the indemnification provision that HHMI requires in licenses:

The Howard Hughes Medical Institute ("HHMI"), and its trustees, officers, employees, and agents (collectively, "HHMI Indemnitees"), will be indemnified, defended by counsel acceptable to HHMI, and held harmless by [the licensee, sublicensee, or other contracting party] 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, "Claims"), based upon, arising out of, or otherwise relating to this [license, sublicense, or other contract or agreement], including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an HHMI Indemnitee.

HHMI's indemnification must survive termination. Unless the license provides for survival of the indemnification provision elsewhere, the following should be added to the indemnification provision:

This provision shall survive any termination of this Agreement.

If the Licensee requires additional terms relating to the procedures for indemnifying HHMI, please contact the [HHMI Site Attorney](#) for additional guidance.

Insurance

HHMI asks for the same insurance protection as the University receives in any license. This insurance protection should survive termination. The following is sample language that is acceptable to HHMI:

Licensee shall have the insurance coverage set forth below. Such coverage shall be purchased from a carrier or carriers having an A. M. Best rating of at least A- (A minus) and shall name the University and HHMI as additional insureds.

Arbitration

HHMI does not permit the provisions in the license governing its rights to be subject to binding arbitration. Accordingly, if the licensee requires that all parties submit to binding arbitration, disputes relating to HHMI's rights must be carved out of the requirements. The following is model language to exclude HHMI's rights from a binding arbitration provision:

Notwithstanding the foregoing, no dispute affecting the rights or property of HHMI shall be subject to the arbitration provisions set forth above.

HHMI's Third-Party Beneficiary Status

The license must describe HHMI's status and rights as a third-party beneficiary. This provision is normally included in the "Miscellaneous" section of a license and must survive termination. The following is the third-party beneficiary provision that HHMI requires:

HHMI is not a party to this Agreement and has no liability to any licensee, sublicensee, or user of anything covered by this Agreement, but HHMI is an intended third-party beneficiary of this Agreement and certain of its provisions are for the benefit of HHMI and are enforceable by HHMI in its own name.

Survival

HHMI's indemnification and third party beneficiary status must survive termination.

Sublicenses

HHMI expects sublicensees to be bound by the obligations in the sections of the license on indemnification, insurance and HHMI's third party beneficiary status. The following is sample language that is acceptable to HHMI:

Licensee shall have the right to grant sublicenses consistent with this Agreement, which sublicenses shall include, without limitation, a provision binding sublicensees to all terms hereof intended for the protection of the University and other indemnified parties, including HHMI, against liability or loss.

Use of Name

You are not required to include HHMI in use-of-name provisions. If HHMI is included,

the following is model language that is acceptable to HHMI:

LICENSEE acknowledges that under HHMI policy, LICENSEE may not use the name of HHMI or of any HHMI employee (including Dr. [Investigator Name]) in a manner that reasonably could constitute an endorsement of a commercial product or service; but that use for other purposes, even if commercially motivated, is permitted provided that (1) the use is limited to accurately reporting factual events or occurrences, and (2) any reference to the name of HHMI or any HHMI employees in press releases or similar materials intended for public release is approved by HHMI in advance.