

**SUBCONTRACT BETWEEN
COMPANY
AND
THE RESEARCH FOUNDATION OF STATE UNIVERSITY OF NEW YORK**

Made by and between (company's name, address, ID number), hereinafter referred to as "COMPANY" and THE RESEARCH FOUNDATION OF STATE UNIVERSITY OF NEW YORK, a nonprofit, educational corporation organized and existing under the laws of the State of New York, with an office located at Office of Sponsored Programs, Stony Brook, New York 11794-3362 at Stony Brook University, hereinafter referred to as the "FOUNDATION" Federal Identification Number 14-1368361.

WITNESSETH:

WHEREAS, _____, hereinafter referred to as "SPONSOR", has awarded a grant/contract, hereinafter referred to as "PRIME", to the COMPANY to conduct a research project entitled _____, hereinafter referred to as "PROJECT"; and

WHEREAS, the aforesaid grant/contract provides that COMPANY shall subcontract to FOUNDATION a portion of the work and services to be provided in connection with the PRIME; and

WHEREAS, COMPANY desires to enter into an agreement with FOUNDATION for the performance of this project, hereinafter referred to as the "AGREEMENT"; and

WHEREAS, FOUNDATION has represented to the COMPANY that it is knowledgeable, qualified and expert in skills required for this project and covenants that it is capable of performing the services required under this AGREEMENT and desires the COMPANY to engage its services,

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein it is mutually agreed by and between the respective parties as follows:

1. Scope of Work; Status of Parties; Cooperation

The FOUNDATION agrees to undertake, carry out, and complete for the COMPANY, in a satisfactory and competent manner, all of the work and services set forth in the Scope of Work (Exhibit A) attached hereto and made a part hereof.

In addition to the specific services required hereunder, FOUNDATION agrees that it will at all times during the performance of this AGREEMENT maintain close liaison with COMPANY'S PROJECT DIRECTOR in order to assure a well-integrated effort, and will provide formal technical reports on a quarterly basis.

2. Key Personnel

FOUNDATION'S PROJECT DIRECTOR is:
COMPANY'S PROJECT DIRECTOR is:

3. Term

This AGREEMENT shall be effective on _____ and shall continue through _____ unless terminated sooner or extended as hereinafter provided.

4. Compensation and Maximum Cost

(a) COMPANY shall pay the FOUNDATION a fixed price of \$_____ for the work performed in accordance with the terms of this AGREEMENT. This sum shall be paid in accordance with the schedule set forth below:

(SCHEDULE)

(b) It is expressly understood and agreed that the aggregate of all allowable costs under this AGREEMENT shall in no event exceed the maximum cost indicated as such in paragraph 4(a), except upon formal modification of this AGREEMENT as provided hereinbelow.

5. Protected Information

(a) The parties acknowledge that they may possess certain proprietary or confidential information which may be utilized in performance of the PROJECT. "PROTECTED INFORMATION" shall mean all such proprietary or confidential information provided by the disclosing party in writing and marked "confidential", or disclosed orally, summarized in writing and marked "confidential" and transmitted to the non-disclosing party within 30 days of oral disclosure. PROTECTED INFORMATION will only be disclosed to the employees, consultants and students (if applicable) who require the same to fulfill the purposes of the research. The receiving party shall protect the disclosing party's PROTECTED INFORMATION with the same standard of care with which the receiving party treats its own PROTECTED INFORMATION. PROTECTED INFORMATION shall be used by the receiving party only within the scope of this AGREEMENT. Each party shall, for a period of three (3) years after the termination or expiration of this AGREEMENT, maintain the same level of care to prevent the disclosure of a party's PROTECTED INFORMATION, unless otherwise required by law.

(b) Neither party shall be liable for disclosure or use of the information of the other party if said information was:

1. known by the receiving party at the time it was acquired from the disclosing party;
2. already generally available to the public, or subsequently becomes so available without default of the receiving party;
3. received by a party to this AGREEMENT from a third party who did not acquire it directly or independently from a party to this AGREEMENT in confidence;
4. independently developed by the receiving party without the use or reliance on PROTECTED INFORMATION, or;
5. required to be disclosed by law provided that the disclosing party shall give advance, written notice to the other party of the compelled disclosure.

Other provisions of this AGREEMENT notwithstanding, this Article shall remain in effect for a period of three (3) years from the effective date of this AGREEMENT.

6. **Publication**

The FOUNDATION shall be free to publish papers consistent with protection of proprietary information of COMPANY and/or patentable rights which arise from work conducted under this AGREEMENT. No less than thirty (30) days prior to dissemination or publication, FOUNDATION shall provide the COMPANY with a copy of any proposed manuscript or oral presentation for identification and protection of COMPANY'S PROTECTED INFORMATION. If FOUNDATION does not receive a written response from COMPANY within thirty (30) days, FOUNDATION may proceed with publication and/or release of information as proposed. COMPANY may require an additional thirty (30) day delay in publication in order to coordinate the filing of any invention disclosure. In no event shall this delay exceed a total of sixty (60) days without mutual written agreement by both parties.

7. **Background Intellectual Property**

(a) "BACKGROUND INTELLECTUAL PROPERTY" means property and the legal right therein of either or both parties developed before or independent of this AGREEMENT including inventions, patent applications, patents, copyrights, trademarks, mask works, trade secrets and any information embodying proprietary data such as technical data and computer software.

(b) This AGREEMENT shall not be construed as implying that either party hereto shall have the right to use BACKGROUND INTELLECTUAL PROPERTY of the other in connection with this project except as otherwise provided hereunder.

- (1) The following BACKGROUND INTELLECTUAL PROPERTY of COMPANY may be used nonexclusively and, except as noted, without compensation by FOUNDATION in connection with research or development activities for this PROJECT (if "none" so state):
"INSERT"
- (2) The following BACKGROUND INTELLECTUAL PROPERTY of FOUNDATION may be used nonexclusively and, except as noted, without compensation by COMPANY in connection with research or development activities for this PROJECT (if "none" so state):
"INSERT"
- (3) The following BACKGROUND INTELLECTUAL PROPERTY of FOUNDATION may be used by COMPANY nonexclusively in connection with commercialization of the results of this PROJECT, to the extent that such use is reasonably necessary for practical, efficient and competitive commercialization of such results but not for commercialization independent of the commercialization of such results upon the condition that COMPANY pay to FOUNDATION, in addition to any other royalty including any royalty specified in the following list, a royalty, of net sales or leases made by or under the authority of COMPANY to be negotiated, of any product or service that embodies, or the manufacture or normal use of which entails the use of, all or any part of such BACKGROUND INTELLECTUAL PROPERTY (if "none" so state): *"INSERT"*

8. Inventions, Patents, Copyrights and Licenses

"Invention" as determined by U.S. patent law means any patentable idea, copyright and/or trademark including design, concept, technique, discovery or improvement made, conceived or first actually reduced to practice, in the period of performance of work under this AGREEMENT.

a) Intellectual property rights accessible to COMPANY under law are vested in COMPANY. Otherwise, FOUNDATION holds title to all inventions (including know-how, patentable and copyrighted discoveries or inventions) discovered during the conduct of work under this AGREEMENT if FOUNDATION or UNIVERSITY provides its facilities for the conduct of such work. Said inventions are hereinafter referred to as "FOUNDATION inventions."

b) No license or other rights in FOUNDATION inventions are given to or received by COMPANY except as specifically provided for herein.

c) Prior to any termination of this AGREEMENT, COMPANY may use FOUNDATION inventions internally for research purposes only.

d) FOUNDATION hereby grants to COMPANY a thirty (30) day exclusive option to acquire a license to commercialize and/or use the FOUNDATION invention(s) for commercial purposes. The 30-day period of the option commences on the date of disclosure of FOUNDATION invention(s) to COMPANY by FOUNDATION. Should COMPANY exercise its option under this paragraph, FOUNDATION shall grant COMPANY a three month "stand-still" period during which FOUNDATION will not offer any third party any rights to the invention. During such stand-still period, the parties shall negotiate in good faith to arrive at reasonable terms and conditions for a license to the invention. If the parties cannot agree on license terms and conditions, the stand-still period ends and FOUNDATION has the right immediately to negotiate and execute a license with any third party on any terms and conditions.

e) As a condition for FOUNDATION's granting of any stand-still period pursuant to Paragraph (d) above, COMPANY shall reimburse FOUNDATION for all out-of-pocket costs that FOUNDATION incurs or has incurred in the course of its effort to patent inventions developed under this Agreement that are the subject of the stand-still agreement. COMPANY agrees to continue making such reimbursements if COMPANY acquires exclusive rights in such invention(s). With respect to any patent prosecution for which COMPANY is reimbursing the costs thereof, the parties agree that FOUNDATION shall timely submit to COMPANY, in confidence, the work product of any outside counsel employed by FOUNDATION to prosecute any patent application or other intellectual property protection of said Inventions, including the drafting of the specification and claims of any patent application, and COMPANY shall have the right to review and provide comment on such work product of outside counsel so employed by FOUNDATION

f) If FOUNDATION or UNIVERSITY provides its facilities for the conduct of any work that results in a work-product, defined in this paragraph as concepts and/or software code that contribute to or are included in any claims in any patent application or patent or are contained in any copyrighted materials, covering an invention under this AGREEMENT, and an inventive contribution to the same work-product is also legally assignable to the COMPANY, COMPANY

and FOUNDATION shall hold joint title to said invention. COMPANY shall be entitled to exercise the option and licensing rights set forth above with respect to FOUNDATION'S interest in said joint inventions.

9. **Termination**

Either FOUNDATION or COMPANY may terminate this agreement at any time by giving thirty (30) days written notice of termination to the other contracting party.

10. **Liability to Third Parties**

If either COMPANY or FOUNDATION is negligent in carrying out its obligations hereunder, the negligent party agrees to take responsibility for, and indemnify the innocent party against the consequences of said negligence, including claims of third parties for damages and expenses which arise from or are related to the negligent party's performance or failure to perform pursuant to this AGREEMENT.

11. **Assignment and Subcontracting**

FOUNDATION shall not assign, transfer, or convey this agreement or any part hereof, or any interest herein, nor shall the FOUNDATION subcontract for the performance of any of its obligations hereunder, without the prior written consent of the COMPANY. Any such subcontracts and all other arrangements made by FOUNDATION in connection with its performance hereunder, including FOUNDATION's arrangements with its agents and employees, shall be made subject to, and consistent with the conditions, and limitations of this agreement and COMPANY's agreement with the sponsor.

12. **Export Controls**

This AGREEMENT shall be subject to all applicable government export and import laws and regulations. The parties agree to comply and reasonably assist the other party, upon request by that party, in complying with all applicable government export and import laws and regulations. The parties acknowledge that they may not directly or indirectly export, re-export, distribute or transfer any technology, information or materials of any value to any nation, individual or entity that is prohibited or restricted by the International Traffic in Arms Regulation (ITAR), the Export Administration Regulations (EAR), the Office of Foreign Assets Controls (OFAC), the United States Department of State's State Sponsors of Terrorism, or by any other United States government agency without first obtaining the appropriate license.

COMPANY confirms that the PROTECTED INFORMATION it discloses does not contain export controlled technology or technical data identified on any US export control list, including but not limited to the Commerce Control List (CCL) at 15 CFR 774 and the US Munitions List (USML) at 22 CFR 121. In the event COMPANY intends to provide FOUNDATION PROJECT DIRECTOR with export controlled information, COMPANY will inform FOUNDATION'S Assistant Vice-President for Sponsored Programs, as identified in Article 17, in writing thirty (30) days prior to the release of export controlled technology or technical data. COMPANY agrees not to provide any export controlled information to FOUNDATION'S PROJECT DIRECTOR, or others at FOUNDATION

without the written agreement of FOUNDATION'S Assistant Vice-President for Sponsored Programs.

13. **Modifications**

This AGREEMENT may be changed, amended, modified or extended only by a writing duly executed by the respective parties hereto.

14. **Compliance with Laws and Regulations: General Obligations**

(a) In the performance of the work authorized pursuant to this AGREEMENT, FOUNDATION agrees to comply with all applicable laws and regulations, as well as policies of the sponsor applicable to FOUNDATION's performance hereunder, and the express terms of COMPANY's agreement with the SPONSOR, which shall be deemed to be inserted herein, and this AGREEMENT shall be read and enforced between the parties as though all such provisions were included verbatim herein.

(b) This AGREEMENT is subject to the requirements of Executive Order 11246 and 11375 and the rules and regulations of the Secretary of Labor (41 CFR Chapter 60) in promoting equal employment opportunities.

(c) FOUNDATION hereby certifies that it does not and will not maintain any facilities it provides for its employees in a segregated manner, or permit its employees to perform their services at any location under its control where segregated facilities are maintained; and it will obtain a similar certification, prior to award of any nonexempt subcontract approved hereunder.

(d) During the performance of this AGREEMENT, FOUNDATION agrees to comply with all applicable provisions of Section 503, Title V of the Vietnam Era Veterans' Readjustment Assistance Act of 1972, as the same may be from time to time amended, together with all applicable regulations thereunder.

(e) During the performance of this AGREEMENT, the FOUNDATION agrees to comply with all applicable provisions of Sections 503 and 504 of the Rehabilitation Act of 1973 (Public Law 93-516) as the same may be from time to time amended, together with all applicable regulations thereunder.

15. **Binding Effect**

This AGREEMENT shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns.

16. **Governing Law**

Regardless of the place of physical execution or performance this AGREEMENT shall be construed according to the laws of the State of New York and shall be deemed to have been executed in the State of New York.

17. Notices

All notices, demands, and other communications hereunder, with the exception of technical information, shall be delivered personally to the party to which it is addressed, or mailed to such party by registered or certified mail, return receipt requested, with postage thereon fully prepaid.

Said notices shall be delivered to the appropriate financial, administrative and/or technical party(ies) as identified in Exhibit B, unless notice of change of address is provided in writing to the other.

Exchanges of export controlled information as per Article 12 shall be delivered to:

Ivar Strand
Assistant Vice-President for Sponsored Programs
Office of Sponsored Programs
The Research Foundation of State University of New York
Stony Brook University
Stony Brook, New York 11794-3362

Any notices, demands, and other communications so mailed shall be deemed to have been received by the addressee seven (7) days after the time and date of its being so mailed.

18. Severability

The provisions of this AGREEMENT are separable, and in the event any provisions of this agreement are determined to be invalid or unenforceable under any controlling board of law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

19. Use of Name

COMPANY and FOUNDATION agree not to use each other's names, or the names of any staff members or employees thereof, in advertising, sales promotion work, or in any other form of publicity except with the written permission of, and to the extent approved by the party whose name is to be used.

20. Entire Agreement

This AGREEMENT represents and embodies all the agreements and negotiations between the parties hereto and no prior or contemporaneous, oral, or written agreements or correspondence prior to the date of execution of this agreement shall be held to vary the provisions hereof.

IN WITNESS WHEREOF, this AGREEMENT has been duly executed by the parties hereto as of the date hereinabove first written.

THE RESEARCH FOUNDATION OF COMPANY
STATE UNIVERSITY OF NEW YORK

By: _____

By: _____

Date: _____

Date: _____