This model document is the work product of a coalition of technology transfer professionals, university general counsel and outside counsel. This document is intended to serve as a starting point, and should be tailored to meet your specific requirements. This document should not be construed as legal advice for any particular facts or circumstances.

PRELIMINARY PATENT MANGEMENT AGREEMENT

In the course of developing the Model IIA, the participating institutions identified a need for a streamlined process to reach agreement on the sharing of patent costs to enable the parties to proceed with patent prosecution even before the full IIA is signed. The model Preliminary Patent Management Agreement (Model PPMA) was developed for this reason. It creates a binding obligation to share patent costs but does not give either party the right to enter into a license while the PPMA is in effect. In the spirit of keeping the process simple, either party may terminate the *PPMA on 90 days' notice and the* ***non-lead is not required to pay for any particular patent expenses that it objects to on a timely basis.***

Preliminary Patent Management Agreement ("Agreement")

This Agreement is entered into between the Lead Institution and Other Institution(s) identified below (collectively, "Institutions") effective as of the Effective Date set forth below.

<table>
<tr><td colspan="3">Lead Institution
[Lead Institution name and address]
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____
____
Attn: _______________</td><td colspan="2">Other Institution(s)
[Other Institution name and address]
____
____
____
Attn: _______________</td></tr>
<tr><td>*Effective Date*</td><td colspan="4">__________, 201__</td></tr>
<tr><td rowspan="2">*Joint Invention*</td><td>*Internal Reference No.*</td><td>*Serial No./Date of Filing*</td><td>*Title*</td><td>*Inventors (including employer at time of invention)*</td></tr>
<tr><td></td><td></td><td></td><td></td></tr>
<tr><td>*Share of Patent Expenses*</td><td colspan="4">[Name of Lead Institution]: __%
[Name of Other Institution]: __%</td></tr>
<tr><td>*Share of Net Consideration*</td><td colspan="4">[If same as above, state "Same as Share of Patent Expenses". Otherwise, state % for Lead Institution and Other Institution]</td></tr>
<tr><td>*Administration Fee*</td><td colspan="4">[Specify %, or state "None." If there is a cap, specify here.]</td></tr>
<tr><td>*Third-Party Interests*</td><td colspan="4">[Identify rights of research sponsors (other than U.S. govt), interests in proceeds and other specific encumbrances, or state "None"]</td></tr>
</table>

The Institutions hereby agree as follows:

1) Patent Prosecution. Lead Institution will seek patent protection and maintenance for the Joint Invention(s) identified in the table above jointly in the name of Lead Institution and Other Institution(s). Lead Institution will direct its patent counsel to copy Other Institution on standard correspondence.

2) Patent Expense Sharing. The Institutions will share undisputed patent expenses incurred prior to termination of this Agreement in proportion to each Institution's Share of Patent Expenses set forth in the table above. Other Institution(s) will reimburse Lead Institution within 90 days of invoice. An undisputed patent expense means an expense the Other Institution(s) approved in writing (including by email), or did not object to within 60 days of receiving the Lead Institution estimate or invoice. The Institutions will use reasonable efforts to resolve any disputed patent expenses within sixty (60) days of notification of objection by an Institution.

3) Licensing; Definitive IIA. Lead Institution will use reasonable efforts, consistent with its usual practices, to seek licensees for the Joint Invention(s). Neither Institution will execute a license covering the Joint Invention unless this Agreement is terminated or replaced with a definitive inter-institutional agreement ("Definitive IIA"). The Institutions currently intend to enter into a Definitive IIA when a licensee is identified, although an Institution may initiate negotiations of the Definitive IIA before then.

4) Economic Terms of Definitive IIA. The Institutions expect to share net consideration under the Definitive IIA in proportion to each Institution's Share of Net Consideration set forth in the table above. Net consideration means gross license revenue minus any unreimbursed patent expenses and, if any, the administrative fee set forth in the table above. If the Joint Inventions are licensed together with other joint or sole intellectual property of the Parties, the Parties shall negotiate in good faith to determine whether the share of net consideration should be altered to take into account the inclusion of such additional intellectual property in the license. In addition, the Parties agree to renegotiate the sharing of net consideration and patent expenses if there are material changes in circumstances, including but not limited to a determination by: outside patent prosecution counsel, or the Institutions jointly and in good faith, that the named inventors identified in the table above need to be changed.

5) Termination. While the intent is to give Lead Institution at least three years to identify a licensee, either Institution may terminate this Agreement at any time for any reason by providing 90 days advance written notice to the other Institution(s).

6) CREATE Act. Neither Institution will invoke the Cooperative Research and Technology Enhancement Act of 2004, 35 U.S.C. 103(c)(2)-(c)(3) without the prior written consent of the other Institution(s).

7) Third-Party Interests; Sponsor Reporting. To the knowledge of the licensing office of each Institution, there are no rights of research sponsors (other than the U.S. government) or other third parties in the Joint Inventions, except as set forth in the table at the beginning of this Agreement. Each Institution will manage its own sponsor reporting obligations, but if the Institutions both received federal funding for the research that resulted in the Joint Inventions, then Lead Institution will take responsibility for the federal reporting, and provide viewing rights or copies of sponsor reports to the Other Institution.

8) LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL AN INSTITUTION BE RESPONSIBLE FOR ANY INCIDENTAL, CONSEQUENTIAL, OR EXEMPLARY DAMAGES OF ANY KIND, LOST GOODWILL, LOST PROFITS, LOST BUSINESS AND/OR ANY INDIRECT ECONOMIC DAMAGES WHATSOEVER REGARDLESS OF WHETHER SUCH DAMAGES ARISE FROM CLAIMS BASED UPON CONTRACT, NEGLIGENCE, TORT (INCLUDING STRICT LIABILITY OR OTHER LEGAL THEORY), A BREACH OF ANY WARRANTY OR TERM OF THIS AGREEMENT, AND REGARDLESS OF WHETHER AN INSTITUTION WAS ADVISED OR HAD REASON TO KNOW OF THE POSSIBILITY OF INCURRING SUCH DAMAGES IN ADVANCE.

9) Execution in Counterparts; Facsimile or Electronic Transmission: This Agreement may be executed in counterparts, and may be transmitted by facsimile or other electronic transmission.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date:

[Name of Lead Institution]	**[Name of Other Institution(s)]**
By ____________________________	By ____________________________
Name ____________________________	Name ____________________________
Title ____________________________	Title ____________________________
Date ____________________________	Date ____________________________