

REVENUE ALLOCATION AGREEMENT

This Agreement is entered into this _____ day of _____, 20____, by and among Montclair State University, an educational institution of the UNITED STATES having a place of operations at 1 Normal Avenue, Montclair, NJ 07043 and to its respective successors, assigns and legal representatives (“University”), and _____, an individual residing at _____
_____ the (“Inventor”).

WHEREAS Inventor is employed by the University, and has made a certain invention or inventions as detailed hereinafter;

WHEREAS Inventor and University desire to cooperate in the development, protection, and commercial exploitation of said invention or inventions;

NOW THEREFORE, in consideration of the above premises and mutual covenants and conditions contained herein, Inventor and University agree as follows:

1. **Definitions.**

- 1.1 **Subject Invention(s).** The term “Subject Invention(s)” as used in this Agreement means any discovery, invention or other intellectual property that is conceived or authored by Inventor which is or will be disclosed and claimed in an application for Letters Patent, which has or will be executed by the Inventor and University which is entitled

“TITLE OF PATENT”

Int’l App’l No. _____, Filed _____, which claims benefit of U.S. Serial
No. _____, Filed _____

and which may be disclosed and claimed in any further application for Letters patent as defined in the “Patent Rights” below.

- 1.2 **Patent Rights.** The term “Patent Rights” as used in this Agreement means:

- (a) Any U.S. patent application hereafter filed covering any Subject Invention(s), any division, continuation, and continuation-in-part of any such application, and any patent which shall be issued based on such application, division, continuation, and continuation-in-part;

- (b) Any patent which is a reissue or an extension of, or a patent in addition to, any patent defined in (a) above;
- (c) Any patent application or patent corresponding to any patent application or patent identified in (a) or (b) above which is hereafter filed or issued in any country other than the United States; or
- (d) Any other right(s) existing under Federal or State statutes or common law to exploit, exclusively and nonexclusively, any Subject Invention(s), including but not limited to the rights to all associated trade secrets, know-how, and copyrights.

1.3 **Inventor.** The term “Inventor” as used in of this Agreement is the person, or all persons in the circumstance of a joint invention, who made or created the Subject Invention while employed by University.

2. **Commercialization of Patent Rights.**

- 2.1 Inventor agrees to hereby assign to University Inventor’s entire right, title, and interest in and to the Subject Invention(s), and the Patent Rights pertaining thereto for the purpose of commercial exploitation thereof for the benefit of Inventor and University in accordance with the terms of this Agreement and other applicable agreements, policies, and laws.
- 2.2 University and Inventor shall cooperate as follows in the filing, prosecution, assignment, and maintenance of the Patent Rights, and in the commercial exploitation of the Patent Rights:
 - (a) The filing, prosecution, assignment, and maintenance of the Patent Rights shall be carried out by University. Inventor shall cooperate with patent counsel designated and engaged by University. All decisions regarding the scope of patent coverage, claim language, and other matters bearing on the substantive content of patents included in the Patent Rights, and in the filing of foreign patent application, shall be made by University in consultation with patent counsel and Inventor.
 - (b) University shall be responsible for the payment of all costs, expenses, taxes, and attorney’s fees relating to the filing, prosecution, assignment, and maintenance of patent applications and patents included in the Patent Rights; provided that University may require licensees to pay or reimburse the University.
 - (c) University agrees to use its best reasonable efforts which may, at the election of the University, be in conjunction with Inventor to commercialize the Patent Rights by licensing or selling the Patent Rights to third parties. It will be the responsibility of University to screen and select qualified potential licensees and purchasers, and to prepare and negotiate the terms of any sublicense or purchase agreement (hereinafter “License Agreements”). Such License Agreements shall provide that all amounts payable as license fees, royalties, or like proceeds shall be paid to University, and University shall, in turn, pay to Inventor a share of such amounts it receives

("revenue") in accordance with Section 2.2(d) of this Agreement. University agrees to provide Inventor notice within thirty (30) days of the receipt of all such revenues.

- (d) University agrees that any revenue received by University as licensing fees, royalties or like proceeds under any License Agreement respecting the Patent Rights shall be held and administered in accordance with the terms of this Agreement and other applicable agreements, policies, and laws. University shall allocate and pay the following shares of net revenues:
 - (1) Inventor's Share: With respect to initial net revenue in the amount of \$50,000.00, Inventor shall receive fifty (50) percent of such net revenue. With respect to any subsequent net revenue that exceeds the initial \$50,000 net revenue, Inventor shall receive forty (40) percent of such subsequent net revenue. If Inventor comprises multiple inventors, then each shall receive an equal share of the Inventor's Share unless the inventors advise the University of a different pro rata sharing to which the inventors have mutually agreed.
 - (2) As used herein, the term "net revenue" means gross revenue received by University from commercial application of the Patent Rights, including amounts received by University as license fees, royalties, or like proceeds under any License Agreement respecting the Patent Rights, minus University's direct, out-of-pocket costs incurred as of the date of receipt of the gross revenue in protecting, maintaining, licensing and preserving the Patent Rights. Examples of such costs include, but are not limited to, legal fees and costs paid in connection with filing and issuance of patent applications, patent annuities and maintenance fees paid to governments, fees paid to attorneys and marketing agents for preparing, negotiating and auditing the License Agreement and un-reimbursed costs of litigation to enforce and maintain the Patent Rights. Gross revenue does not include support for research sponsored by any party including a licensee of the Patent Rights.
- (e) University agrees to permit Inventor to inspect, copy, and audit University's records pertaining to University's revenue under the License Agreement(s) and University's payments to Inventor pursuant to Section 2.2(d) above.
- (f) University may at any time elect to withdraw from this Agreement and, at Inventor's request, University may assign to Inventor the entire right, title, and interest in the Patent Rights. In this event, the University shall have no further obligation to pursue protection and commercial exploitation of the Patent Rights or to pay any further costs and expenses which may be incurred in connection therewith, except that the University shall be responsible for the payment of any costs, expenses, and liabilities incurred by University through the date of such withdrawal. Upon such withdrawal and assignment to Inventor, the University shall not thereafter have any rights regarding or exercise any control over negotiations regarding commercial utilization and exploitation or other management and administration of the Patent Rights; provided, that University shall be entitled to receive a reasonable royalty on the use or sales under the Patent Rights resulting from such commercial utilization and

exploitation until it has received an amount equal to the out-of-pocket costs incurred by University in obtaining and maintaining the Patent Rights. It is further provided that the University shall retain a royalty-free license under such Patent Rights for University to make and use the Inventions.

- (g) The obligation of University to allocate and pay to Inventor the above specified share of University’s revenue under any License Agreement(s) respecting the Patent Rights shall be in effect for the life of such License Agreement(s) and shall insure to the benefit of Inventor, and his/her successors and assigns, irrespective of whether Inventor is employed by University.

3. **General Provisions.**

3.1 **Notices.** Any notice or other communication under this Agreement shall be in writing and shall be sent by certified or registered mail, first class, postage prepaid, or personally delivered to:

UNIVERSITY: Office of University Counsel
Montclair State University
1 Normal Avenue
Montclair, NJ 07043
Attention: Valerie Van Baaren

WITH A COPY TO: Office of the Provost
Montclair State University
1 Normal Avenue
Montclair, NJ 07043
Attention: Willard Gingerich

INVENTOR: _____

Every party must notify the other parties, by written notice to the other parties, in case of a change in address to which notices shall be directed.

- 3.2 **Governing Law.** This Agreement shall be governed by the laws of the State of New Jersey.
- 3.3 **Entire Agreement.** This constitutes the entire Agreement of the parties and supersedes all prior written or oral agreements on the subject matter hereof. Any change or addition to

this Agreement shall be in writing and executed by the duly authorized representatives of the parties.

3.4 **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all counterparts shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective, duly authorized representatives.

Montclair State University

Xxxxxxxx Yyy, Inventor

By: _____
Willard Gingerich, Provost

Date: _____, 201

Date: _____, 201

Witness: _____
(signature)

Witness: _____
(signature)

(printed name of witness)

(printed name of witness)