

RESEARCH ADVISORY COUNCIL

INTERINSTITUTIONAL AGREEMENT

THIS AGREEMENT is effective DATE OF SIGNING by and between The King Faisal Specialist Hospital and Research Centre (hereinafter "KFSH&RC"), P.O.Box 3354, MBC-03, Riyadh 11211, Kingdom of Saudi Arabia and the _____.

ARTICLE 1. Background

- 1.1 _____ and KFSH initiated studies in the area _____ in the laboratories of _____ and _____.
- 1.2 As the result of this collaboration, _____ made certain Inventions which are included within the Inventions as defined in Paragraph 2.3 herein.
- 1.3 Each inventor has an affirmative obligation under applicable institutional policies to assign all of their rights in the Inventions to their respective institutions and _____ and KFSH&RC, as assignees of their respective employees' inventorship rights, jointly own the Inventions.
- 1.4 It is the mutual desire of _____ and KFSH&RC that their respective undivided interests in said inventions be administered in a manner to ensure the rapid commercialization of the Inventions and to make their benefits widely available to the public.
- 1.5 _____ and KFSH agree that _____ will perform as the Lead Institution as defined in Paragraph 2.1 herein and administer the further collaborative development and strategic licensing of the Inventions.

ARTICLE 2. Definitions

- 2.1 "Lead Institution" means the Institution determined by mutual Agreement of KFSH and _____ to manage the protection and licensing of Inventions. Lead Institution, for purposes of this Agreement, is _____.
- 2.2 "Partner Institution" means the Institution determined by mutual Agreement to assist the Lead Institution in the protection and licensing of Inventions. Partner Institution, for purposes of this Agreement, are KFSH.
- 2.3 "Inventions" means all right, title and interest in, to and under the innovations and discoveries related to _____
_____ and any divisions, or continuations thereof, all foreign counterpart applications, and any patents issued thereon or reissues or extensions thereof. Inventions also include such further advancements and developments that result from the further collaboration of _____ and KFSH investigators

under the terms of any collaborative research Agreement, which Agreement(s) will be incorporated into this Agreement under the designation Exhibit A, "Research Agreements".

- 2.4 "Net Revenues" means gross proceeds received by Lead Institution, exclusive of reimbursement for patent and related costs, from the licensing or other disposition of Inventions, less the following: (i) fifteen percent (15%) for Lead Institution's administrative overhead; and, (ii) all un-reimbursed, reasonable and actual out-of-pocket costs (exclusive of any salaries, administrative, or other indirect costs) incurred by either Lead Institution or Partner Institution in any litigation relating to the Inventions and any action specifically relating to patent infringement as described in Article 10 of this Agreement. In addition to (i) and (ii), Lead Institution may elect to deduct from gross proceeds all un-reimbursed, reasonable and actual out-of-pocket costs (exclusive of any salaries, administrative, or other indirect costs) incurred by Lead Institution in the preparation, filing, prosecution, and licensing of Inventions. Lead Institution's decision as to this option will determine the mechanism of allocation of Net Revenues under Paragraph 8.3 of this Agreement.
- 2.5 "License Agreement" means any License Agreement, or any Agreement granting an option to License, that is entered into by Lead Institution in accordance with the terms of this Agreement, which grants to a Licensee thereunder the right to make, have made, use or sell products or processes covered by Inventions.
- 2.6 "Licensee" means any entity to which any rights in Inventions have been granted under a License Agreement or an option to License.
- 2.7 "Expenses" means all reasonable and actual out-of-pocket costs incurred by Lead Institution for the preparation, filing, prosecution, and licensing of United States and foreign patent applications, extraordinary expenses as provided in Paragraph 4.6, and the maintenance of resulting patents.

ARTICLE 3. Grand and Reservation of Rights

- 3.1 Partner Institution hereby grant and Lead Institution hereby accepts, subject to the terms and conditions of this Agreement, and any rights of the government of the United States in the Inventions, an exclusive License including the right to Sublicense, under the Inventions, to make and have made, to use and have used and to sell and have sold any tangible embodiment of the Inventions and to practice and to have practiced any processes included within the Inventions.
- 3.2 Partner Institution reserve the right to practice the Inventions for Partner Institution's internal, non-commercial research purposes.

ARTICLE 4. Responsibilities of Lead Institution Securing Patent Rights in Inventions

- 4.1 Lead Institution, in consultation with Partner Institution, will prepare and file appropriate United States patent applications covering the Inventions and will provide to Partner Institution all serial numbers and filing dates, together with copies of all the applications, including copies of all Patent Office Actions, responses and other documents and communications relevant to the case.
- 4.2 Lead Institution will, after consulting with Partner Institution and within eight (8) months of any United States filing, make an election whether, when, and in what countries, it wishes to file foreign patent applications. Lead Institution will notify Partner Institution in writing, of its election regarding foreign filing. Lead Institution will provide to the Partner Institution all serial numbers and filing dates associated with foreign applications. As specifically requested by Partner Institution in the course of

foreign patent prosecution, Lead Institution will provide Partner Institution with copies of any foreign patent applications, patent office actions, responses or documents and communications relevant to the case. Partner Institution may file and/or maintain patent applications at its own expense in any country in which Lead Institution elects not to file or maintain patent applications, and those applications and resultant patents will be excluded from the Inventions as defined in this Agreement, and in particular, will not be subject to the terms of this Agreement relating to licensing.

- 4.3 If Lead Institution determines not to prepare or file a patent application under the Inventions or chooses not to prosecute or maintain a patent application or issued patent covering the Inventions, it will notify Partner Institution in writing not later than thirty (30) days after making such decision. Under such circumstances, Partner Institution may, by written notice to Lead Institution, elect to continue the prosecution and/or maintenance of such application or patent at its sole expense. Such patent applications, issued patents, and the Inventions to which they pertain, will be excluded from the Inventions as defined in this Agreement, and in particular, will not be subject to the terms of this Agreement relating to licensing.
- 4.4 Lead Institution will record Assignments of Inventions in the United States Patent and Trademark Office and will provide Partner Institution with a photocopy of each recorded Assignment.
- 4.5 Lead Institution will promptly provide to Partner Institution copies of all patents issued under Inventions.
- 4.5 In the event that Lead Institution anticipates that possibility of any extraordinary expenditures arising from the preparation, filing, prosecution, licensing, or defense of any patent application or patent contemplated by this Agreement, including, without limitation, interferences, reexaminations, reissues, and oppositions, Lead Institution shall provide the Partner Institution with all relevant information and such extraordinary expenditures shall be included as Expenses only upon written Agreement of the Partner Institution. Lead Institution and the Partner Institution shall agree on a mutually acceptable course of action prior to incurring such expenditures.

ARTICLE 5. Responsibilities of Partner Institution: Securing Patent Rights in Inventions

- 5.1 Partner Institution will grant to Lead Institution Power of Attorney for all patent applications relating the Inventions.
- 5.2 Partner Institution will cooperate with Lead Institution and participate in all aspects of patent prosecution and will insure the timely review and execution of all documents necessary for securing patent rights in the Inventions.

ARTICLE 6. Responsibilities of Lead Institution: Securing Patent Rights in Inventions

- 6.1 Lead Institution will diligently seek a licensee for the commercial development of the Inventions and will administer the Inventions for the mutual benefit of the parties and in the public interest. To ensure that Inventions are fully developed, Lead Institution will require of any Licensee the development of meaningful due diligence terms and the provision of a commercial development plan which will be subject to the review of Partner Institutions and incorporated into any License Agreement between Lead Institution and Licensee.

- 6.2 Lead Institution will not issue any royalty-free or paid-up Licenses or assign patent rights to any entity, notwithstanding any other provision of this Agreement, without the prior written consent of Partner Institution.
- 6.3 Lead Institution will keep Partner Institution informed of all material developments in discussions with potential Licensees. Prior to finalizing any licensing deal, Lead Institution will promptly provide to Partner Institution drafts of all License Agreements for review and written approval thereon by Partner Institution, which review will be completed within ten (10) business days of delivery and receipt of draft License Agreements by Partner Institution. Partner Institution's review and approval is for the purpose of ensuring that any proposed License Agreement is in compliance with the policies of the institution, and with all applicable State and Local laws and regulations, and that any such License Agreement does not conflict with existing contractual obligations Partner Institution may have to other entities. Partner Institution will notify Lead Institution in writing, not later than the end of the 10 business day review period, if there are any conflicts between the License Agreement and applicable institutional policies of Partner Institution, laws or regulations or contractual obligations of Partner Institution, and will at that time specify the nature of the conflict.
- 6.4 Negotiations related to any License Agreement must include, among other standard and appropriate terms, the following: earned royalty; best efforts of Lead Institution to obtain reimbursement of patent costs from the Licensee; where feasible and appropriate, minimum royalties or milestone payments; diligence terms; indemnification of Partner Institution and Lead Institution by Licensee; disclaimer of warranties on the part of Lead Institution and Partner Institution as licensors; and, prohibition against the use of the names of either Lead Institution or Partner Institution. Any License Agreement will further stipulate that nothing in the License Agreements confers by estoppel implication or otherwise, any License or rights under any patents of Partner Institution and Lead Institution other than Inventions, regardless of whether such patents are dominant or subordinate to the Inventions.
- 6.5 License Agreements will expressly reserve to Lead Institution and Partner Institution the royalty-free right to use the Inventions and associated technology for educational and research purposes.
- 6.6 Lead Institution will exercise its best effort to ensure compliance by Licensee with the terms of any License Agreements.

ARTICLE 7. Responsibilities of the Partner Institution: Licensing

- 7.1 Partner Institution will lend reasonable assistance to Lead Institution in the development and negotiation of License Agreements, including making appropriate and necessary facilities, data and personnel available to Lead Institution according to Partner Institution's applicable institutional policies.
- 7.2 Partner Institution will timely review and respond to all draft License Agreements provided by Lead Institution for review. In order to avoid any delay in contract negotiations, Partner Institution will respond to submissions by Lead Institution within ten (10) days of receipt of draft Agreements. Non-response by Partner Institution will be conclusively presumed by Lead Institution to constitute approval of License Agreement terms.

ARTICLE 8. Royalties and Expenses

- 8.1 Lead Institution will distribute to Partner Institution's Net Revenues accrued during the most recently completed quarter interval not later than forty-five (45) days of receipt of such funds by Lead Institution. Any part of Net Revenues received by Lead Institution as equity will be held in escrow.

Partner Institution's equity share will be held in the name of "The King Faisal Specialist Hospital and Research Centre".

- 8.2 Lead Institution will submit to Partner Institution's annual statements of itemized Expenses, and Net Revenues due Partner Institution under Paragraph 8.1 of this Agreement, except where Partner Institution have identified discrepancies in billing by Lead Institution, in which case deduction of the contested item from Net Revenues will be delayed pending resolution thereof under Paragraph 11.2 of this Agreement.
- 8.3 A. The Parties will share in Net Revenues as follows:
- (i) where Lead Institution has either covered at its sole expense without reimbursement out of Net Revenue, or secured from Licensee full reimbursement of all reasonable and actual out-of-pocket costs incurred by Lead Institution in the preparation, filing, prosecution, and licensing if Inventions:

60% -- Lead Institution
40% -- Partner Institution
 - (ii) where Lead Institution has neither covered at its own expense nor secured from Licensee full reimbursement of all reasonable and actual out-of-pocket costs incurred by Lead Institution in the preparation, filing, prosecution, and licensing of Inventions:

50% -- Lead Institution
50% -- Partner Institution
- B. Lead Institution and Partner Institution, respectively, are individually responsible for calculating and distributing any share of Net Revenues to their respective Inventors of the Inventions, in accordance with their applicable institutional policies.
- 8.4 Lead Institution shall upon execution of this Agreement submit to the Partner Institution a statement of Expenses incurred prior to the date of execution. The Lead Institution will pay, within sixty (60) days of the date of invoice, fifty percent (50%) of these prior Expenses.

ARTICLE 9. Records and Reports

- 9.1 Lead Institution will keep complete, true and accurate accounts of all Expenses and of all Net Revenues received by it from each Licensee of the Inventions and will permit Partner Institution or Partner Institution's designated agent to examine its books and records in order to verify the payments due or owed under this Agreement.
- 9.2 Lead Institution will submit to Partner Institution an annual report, not later than April 1 of each year, setting forth the status of all patent prosecution, commercial development, and licensing activity relating to the Inventions for the preceding calendar year.

ARTICLE 10. Patent Infringement

- 10.1 In the event Partner Institution or Lead Institution, including its Licensees, learn of the substantial infringement of any patent subject to this Agreement, the party who learns of the infringement will promptly notify the other party in writing and will provide the other party with all available evidence of such infringement. Lead Institution and its Licensees, in cooperation with Partner Institution, will use

their best efforts to eliminate such infringement without litigation. If the efforts of the parties are not successful in eliminating the infringement within ninety (90) days after the infringer has been formally notified of the infringement by Lead Institution, Lead Institution will have the right, after consulting with Partner Institution, to commence suit on its own account, or to permit its Licensees to bring suit on their own account, but only if Partner Institution and Lead Institution elect, respectively, not to be a plaintiff either by formal notice or by failure to act within the ninety (90) day period set forth above.

- 10.2 Except where the cost relating to such enforcement action are borne by a License in accordance with its License Agreement, Partner Institution and Lead Institution will share all costs relating to any such agreed upon enforcement action. Any sums recovered with respect to any such action will be applied first to reimburse out-of-pocket expenses incurred by Partner Institution and Lead Institution relating to the enforcement action and the remaining sums will be deemed Net Revenues hereunder and will be shared by the parties as set forth in Article 3 above.
- 10.3 If Partner Institution or Lead Institution elect not to enforce the right of the parties, it will notify the others in writing. Under such circumstances, the other party may elect to prosecute the infringers at its sole expense provided that:
- A. the party electing to prosecute will pay all costs and expenses arising out of such prosecution;
 - B. the party electing to prosecute will not have any right to surrender the other's rights or to grant any infringer any rights other than a Sublicense subject to the conditions which would apply to the grant of any other Sublicense; and
 - C. any sums recovered with respect to any such action will be applied first to reimburse out-of-pocket expenses incurred by the party relating to enforcement action and the remaining sums will be shared by the parties in proportion to their financial contribution toward the enforcement action.
- 10.4 In any infringement suit instituted to enforce the Inventions pursuant to this Agreement, all parties will, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, and the like.

ARTICLE 11. Governing Laws, Settling Disputes

- 11.1 This Agreement is governed by the laws of the State of . The scope and validity of any patent or patent application in Inventions are governed by the applicable laws of the country of that patent or application.
- 11.2 Any controversy or any disputed claim by either party against the other arising under or related to this agreement will be submitted jointly to Lead Institution Board of Governors and to Partner Institution designee for resolution. Lead Institution and Partner Institution will be free after written decisions are issued by those officials to pursue any and all administrative and/or judicial remedies which may be available.

ARTICLE 12. Notices

Any notice required or permitted to be given to the parties hereto is properly given if delivered in writing, in person, sent by first-class certified mail, or by overnight carrier, to the following addresses, or to such other addresses as may be designated in writing by the parties from time to time during the term of this Agreement.

To Partner Institution:

Sultan T. Al Sedairy, Ph.D.
Chairman, Research Advisory Council, Research Centre
King Faisal Specialist Hospital and Research Centre
+966-1-442-7850; FAX +966-1-442 7894

To Lead Institution:

ARTICLE 13. Terms and Termination

- 13.1 This Agreement is effective when signed by all parties and will extend to the expiration of the last to expire of the patents included within the Inventions unless otherwise terminated by operation of law or by acts of the parties in accordance with the terms of this Agreement.
- 13.2 Lead Institution may terminate this Agreement for any reason upon sixty (60) days written notice to Partner Institution, but in any event not less than sixty (60) days prior to the date on which any pending Patent Office actions need be taken to preserve patent rights for the benefit of the parties hereto. In the event of early termination by Lead Institution, the following will dictate the respective rights and obligations of the parties:
- A. if Lead Institution terminates this Agreement for cause, then in addition to any rights or remedies he parties may have at law or in equity, the parties are relieved of all obligations of performance under this agreement, Partner Institution have no continuing rights to receive distribution of Net Revenues from Lead institution and all License rights granted herein to Lead Institution by Partner Institution revert back to partner Institution, without limitation.
 - B. if Lead Institution terminates this Agreement without cause, then Partner Institution sole remedy is as follows: the continued right to receive from Lead Institution reporting and distribution of Net Revenues derived from Licenses granted during the term of the Agreement in the proportion identified in Paragraph 8.3 of this Agreement, except that Lead Institution may only deduct its expenses from the Net Revenues and may not deduct any administrative overhead; and, the right to receive from Lead Institution reporting and distribution of licensing revenues derived from Licenses granted by Lead Institution after termination of the Agreement in the proportion of ten (10) percent, except that Lead Institution may deduct its expense from such revenues. With the exception of the forgoing, the parties are relieved of all other obligations of performance under this Agreement and all License rights granted herein to Lead Institution by Partner Institution revert back to Partner Institution, without limitation.

- 13.3 Lead Institution may elect to step down as Lead Institution and offer Partner Institution the opportunity to stand-in as the new Lead Institution under an amendment to this Agreement.
- A. Partner Institution, at its sole discretion, may elect to require by way of License the transfer of Lead Institution's rights in the Inventions or the control of any or all patent prosecutions being performed by Lead Institution or its agents related to the Inventions or the assignment of any and all Licenses issued by Lead Institution for said Inventions. Partner Institutions will make its election and will advise Lead Institution in writing within thirty (30) days after receipt of notice of Lead Institution's offer to step-down, and Lead Institution will thereupon transfer to Partner Institution its rights in the Inventions, and control of any or all patent prosecutions, and Licenses. Lead Institution will do all things necessary to transfer file wrappers and other files related to such rights and License to Partner Institution. Such transfer will be effective upon the final execution by the parties of an amendment to this Agreement, which amendment will stipulate the specific performance and termination terms applicable to the modified arrangement and which amendment will have financial terms identical to this Agreement, except that the party acting as new Lead Institution will be the only party to collect an administrative overhead.
 - B. In the event that Partner Institution elect to not accept the role of Lead Institution under an amendment to this Agreement, then Lead Institution's offer will constitute termination without cause and the rights and obligations of the parties will be governed by Paragraph 13.2 (b) of this Agreement.
- 13.4 Partner Institution may terminate this Agreement for any reason upon thirty (30) days written notice to Lead Institution only if Lead Institution has not granted any exclusive License rights pertaining to the Inventions. In the event of early termination by Partner Institution, the following will dictate the respective rights and obligations of the parties:
- A. if Partner Institution terminates this Agreement with cause, then in addition to any rights or remedies the parties may have at law or in equity, Partner Institution have the continued right to receive from Lead Institution reporting and distribution of licensing Net Revenues derived from Licenses granted during the term of the Agreement in the proportion identified in Paragraph 8.3 of this Agreement, except that Lead Institution may only deduct its expenses from Net Revenues and may not deduct any administrative overhead. With the exception of the forgoing, the parties are relieved of all other obligations of performance under this Agreement and all License rights granted herein to Lead Institution by Partner Institution revert back to Partner Institution, without limitation.
 - B. if Partner Institution terminates this Agreement without cause, then Lead Institution's sole remedy is as follows: the right to receive from Partner Institution reporting and distribution of licensing revenues derived from Licenses granted by Partner Institution after termination of the Agreement in the proportion of ten (10) percent, except that Partner Institution may deduct its expenses from such revenues. With the exception of the forgoing, the parties are relieved of all other obligations of performance under this Agreement and all License rights granted herein to Lead Institution by Partner Institution revert back to Partner Institution, without limitation.
- 13.5 if Lead Institution has granted an exclusive option or an exclusive License to a Licensee, and Partner Institution have cause to terminate this Agreement, Partner Institution may, after ninety (90) days written notice to Lead Institution and opportunity to cure within that time, elect to do the following:

- A. terminate this Agreement for cause, in accordance with Paragraph 13.4 (B.) of this Agreement; or,
- B. stand-in al Lead Institution, in accordance with Paragraph 13.3 (A.) of this Agreement in order to preserve the exclusive License Agreement between the Licensee and Lead Institution.

13.6 For purposes of this Agreement, the following constitute cause for termination of this Agreement by the respective parties.

- A. for Partner Institution:
 - i. Lead Institution fails to make any payment or periodic reports required by this Agreement; or
 - ii. Lead Institution has willfully made a false statement of, or willfully omitted, a material fact in the negotiation of this Agreement, or in any report required by this Agreement; or
 - iii. Lead Institution has committed a substantial breach of a covenant or duty contained in this Agreement; or
 - iv. Partner Institution and Lead Institution are involved in a dispute under this Agreement which can not be resolved under the procedures specified in this Agreement.
- B. for Lead Institution:
 - i. Partner Institution fails to execute, deliver or cooperate in the development and procurement by Lead Institution of any document or instrument required to secure any patent rights in Inventions under this Agreement; or
 - ii. Partner Institution has willfully made a false statement of, or willfully omitted, a material fact in the negotiation of this Agreement or in any information or data required by this Agreement; or
 - iii. Partner Institution has committed a substantial breach of a covenant or duty contained in this Agreement; or
 - iv. Lead Institution and Partner Institution are involved in a dispute under this Agreement which can not be resolved under the procedures specified in this Agreement.
 - v. Lead Institution and Partner Institution are involved in a dispute under this Agreement which can not be resolved under the procedures specified in this Agreement.

ARTICLE 14. General

- 14.1 This Agreement does not confer any right to use any name, trade name, trademark, logo, or other designation of either party to this Agreement (including contraction, abbreviation or simulation of any of the forgoing) in advertising, publicity or other promotional activities. Except as otherwise mutually agreed in writing by the parties, use of the names _____ “The King Faisal Specialist Hospital and Research Centre” is prohibited.
- 14.2 It is agreed that no waiver by either party hereto of any breach or default of any of the covenants or Agreements herein set forth will be deemed a waiver as to any subsequent and/or similar breach or default.
- 14.3 This Agreement is binding upon and will inure to the benefit of the parties hereto, their successors or assigns, but this Agreement may not be assigned by either party without the prior written consent of the other party.
- 14.4 This Agreement confers no License or rights by implication, estoppel or otherwise under any patent applications or patents of Partner Institution other than Inventions regardless of whether such patents are dominant or subordinate to Invention.
- 14.5 Any modification to this Agreement must be in writing and agreed to by both parties.
- 14.5 It is understood and agreed by Lead Institution and Partner Institution that this Agreement constitutes the entire Agreement, both written and oral, between the parties, and that all prior Agreements respecting the subject matter hereof, either written or oral, expressed or implied, will be abrogated, canceled, and are null and void and of no effect.
- 14.6 Any notice required or permitted to be given to the parties hereto shall be deemed to have been properly given if delivered, in writing, in person or mailed by first-class or certified mail to the addresses for notices appearing on the Signature Page of this Agreement, or such other addresses as may be designated in writing by the parties from time to time.

In witness WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized officers or representatives.

THE KING FAISAL SPECIALIST HOSPITAL AND RESEARCH CENTRE

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name
Title:
Date: _____

By: _____
Name
Title:
Date: _____

ACKNOWLEDGED AND APPROVED
Co-Investigators

EXHIBIT A