

TERM SHEET FOR EXCLUSIVE LICENSE AGREEMENT

Between UTEP and [INSERT COMPANY NAME]

This Term Sheet, unless specifically stated otherwise herein, is for discussion and planning purposes only and does not constitute an offer, or create any other legal obligation upon any party, affiliate, or representative, thereof. The terms set forth below are not necessarily a complete list of material terms that may be negotiated as part of a definitive license agreement (the "License"). Moreover, unless specifically stated otherwise herein, the terms proposed: a) shall not be construed as a waiver of any rights of Licensor (as defined below), or its affiliate(s), with respect to any existing agreements between Licensor, or its affiliates, and Company (as defined below), or any other matter; b) shall not modify, amend or otherwise alter any existing agreement between Licensor and Company; and c) shall not be relied upon in any manner whatsoever by any party hereto.

LICENSOR:	The University of Texas at El Paso ("University"), on behalf of the Board of Regents ("Board") of The University of Texas System, an agency of the State of Texas, whose address is 500 W. University Ave., El Paso, TX 79968 (collectively, "Licensor")
LICENSEE:	[REDACTED], a [state] corporation, with its principal place of business at [REDACTED] ("Company")
PATENT RIGHTS:	Licensor's rights in: (a) U.S. Provisional Patent application [REDACTED] filed [REDACTED] and PCT application [REDACTED] filed [REDACTED]; (b) all non-provisional patent applications that claim priority to any of the provisional applications listed in (a) above, to the extent the claims of such non-provisional applications are entitled to claim priority to such provisional applications; (c) all divisionals, and continuations filed under section 201.07 of the Manual of Patent Examining Procedure, 8th edition, August 2001 (no Continuation-in-Part (CIPs) without Sponsored Research Agreement); (d) all reissues, reexaminations, extensions, and foreign counterparts of any of the patents or patent applications identified in (a), (b) or (c), above; and (e) any patents that issue with respect to any of the patent applications listed in (a), (b) , (c) or (d), above.
FIELD:	Field shall mean [REDACTED].

LICENSE GRANT:	An exclusive, royalty-bearing license under Licensor’s rights in Patent Rights to research, develop, make, have made, use, have used, sell and have sold Licensed Products and Licensed Services in the Territory; a non-exclusive, royalty-bearing license under Licensor’s rights in Technology Rights to research, develop, make, have made, use, have used, sell and have sold Licensed Products and Licensed Services in the Territory; and the right to grant sublicenses, provided that in each case Company shall be responsible for the performance of any obligations of sublicensees relevant to the License.
UPFRONT LICENSE FEE:	\$ [REDACTED].
ANNUAL MANAGEMENT FEE:	\$ [REDACTED] due on each anniversary of the Effective Date
DILIGENCE MILESTONES:	<p>(1) [REDACTED]</p> <p>(2) [REDACTED]; and</p> <p>(3) [REDACTED]; and</p> <p>(4) [REDACTED]; and</p> <p>(5) [REDACTED]; and</p> <p>(6) [REDACTED].</p>
ROYALTIES:	<p>On or before the Quarterly Payment Deadline:</p> <p>(1) [REDACTED]% of Net Sales in each Contract Quarter for Licensed Products and Licensed Services covered by one or more Valid Claims; and</p> <p>(2) [REDACTED]% of Net Sales in each Contract Quarter for Licensed Products and Licensed Services not covered by a Valid Claim but which utilize Technology Rights .</p> <p>Stacking: yes, but maximum reduction to a floor of [REDACTED]%. </p>
NON-ROYALTY INCOME:	<p>[REDACTED]% of Non-Royalty Sublicensing Consideration</p> <p>Non-Royalty Sublicensing Consideration shall include non-royalty sublicensing income attributable to the Patent Rights in the Field, including without limitation any payment for the sublicensing of any license granted hereunder, or distribution of any Product or Service, including but not limited to up-front license fees, license issue fees, maintenance fees, payments for distribution rights, milestone payments or the fair-market value of any non-cash consideration and excluding any payments for research and development expenses, manufacturing of Product or equity investments at fair market value.</p>

PATENT EXPENSES:	Company shall reimburse Licensor for all past and future patent related patent costs incurred by Licensor including, without limitation, prosecution, maintenance and defense (including interference, oppositions, revocations etc.) of the Patent Rights.
MINIMUM ROYALTY	201_ \$ _____ 201_ \$ _____ 201_ \$ _____ Thereafter_ \$ _____
MILESTONE FEES:	(1) \$ _____ (2) \$ _____ (3) \$ _____ (4) \$ _____
ASSIGNMENT FEE	\$ _____ for each assignment of the Agreement
SPONSORED RESEARCH	TBD by the Parties
ADDITIONAL TERMS:	TBD by the Parties

Questions?



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