#

# OPTION AGREEMENT

BETWEEN

## MISSISSIPPI STATE UNIVERSITY AND \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

v.7.12.17

This Agreement is made by and between Mississippi State University, a state institution of higher learning, organized under the existing laws of the State of Mississippi and having a principal office at, 60 Technology Boulevard, Suite 115A, Starkville, Mississippi 39759 U.S.A. (hereinafter referred to as "MSU") and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, whose principal place of business and address is \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereinafter referred to as "COMPANY"). MSU and COMPANY may be referred to herein individually as a “Party” or collectively as the “Parties.”

## WITNESSETH

 WHEREAS, MSU promotes scientific research and is committed to bringing the results of that research into widespread use;

 WHEREAS, MSU is the owner of Intellectual Property Rights, as hereinafter defined;

 WHEREAS, COMPANY is desirous of obtaining a license to the inventions described in the Intellectual Property Rights; and

 WHEREAS, COMPANY desires a period of time in which to evaluate the Intellectual Property Rights, potential products, and markets therefore, and in which to elect to negotiate a license.

 NOW, THEREFORE, in consideration of the premises and the mutual promises and covenants hereinafter set forth, the parties hereby agree as follows:

**ARTICLE I -- DEFINITIONS**

 1.0 EFFECTIVE DATE. Effective Date shall mean the date executed by the last party as reflected on the signature page hereof.

* 1. INTELLECTUAL PROPERTY RIGHTS. Intellectual Property Rights means inventions, ideas, or concepts, as described, recorded, or embodied in any patent, patent application, provisional patent, copyright, trademark, trade secret, know-how, or other recognized form of intellectual right as protected under U.S. law as they may relate to the ideas and concepts described and embodied in United States Patent Application No. \_\_\_\_\_\_\_\_\_\_, the inventions described and claimed therein, and any divisions, continuations, continuations-in-part, or reissues thereof.

 1.2. LICENSED APPLICATION. Licensed Application means the use of Intellectual Property Rights within the field of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 1.3. LICENSED PRODUCTS. Licensed Products shall mean products claimed in Intellectual Property Rights or products made in accordance with or by means of Licensed Processes, or any product containing or embodying any invention claimed in Intellectual Property Rights or deriving from any invention claimed in Intellectual Property Rights.

 1.4. LICENSED PROCESSES. Licensed Processes shall mean the processes claimed in the Intellectual Property Rights.

 1.5. TECHNOLOGY. Technology shall mean any and all information or Intellectual Property Rights supplied by MSU to COMPANY.

 1.6 PATENT EXPENSES. Patent Expenses shall mean means all fees, expenses, and charges of patent counsel related to Intellectual Property Rights incurred by MSU in connection with the preparation, filing, prosecution, issuance, re-issuance, re-examination, interference, and/or maintenance of applications for Intellectual Property Rights.

## ARTICLE II -- OPTION

 2.1. OPTION TO EXCLUSIVE/NON-EXCLUSIVE LICENSE for the Licensed Application. In consideration of the option fee payable under paragraph 2.6, MSU hereby grants to COMPANY an option to negotiate a royalty bearing exclusive/non-exclusive license for the Licensed Application.

 2.2. OPTION PERIOD. This option shall extend for a period of \_\_\_\_\_\_\_\_\_\_\_\_\_ months from the effective date of this Agreement. Until the termination of this Agreement, MSU shall not offer Intellectual Property Rights to any third party. During said period, COMPANY shall have the right to evaluate Intellectual Property Rights and their market potential, for the Licensed Application. COMPANY shall, within \_\_\_\_\_\_\_ months from the effective date of this Agreement, inform MSU whether or not it has decided to exercise its option.

 2.3 OPTION EXTENSION. In consideration of the option extension fee payable under paragraph 2.7, and upon receipt of written notice and payment from COMPANY thirty (30) days in advance of the expiration of the Option Period, MSU hereby agrees to grant to COMPANY a twelve (12) month extension to the option period of paragraph 2.2.

2.4 EXERCISE OF OPTION. To exercise its option, COMPANY shall submit a written statement, reasonably satisfactory to MSU, of COMPANY’s intention and ability to develop such product or process under such Intellectual Property Rights for public use and to utilize reasonable commercial efforts to introduce the Licensed Products into public use as rapidly as practicable.

 2.5 NEGOTIATION PERIOD. Upon exercise of the option and for a reasonable period not to exceed six (6) months, MSU and COMPANY agree to negotiate in good faith to enter into a license agreement (hereinafter “Negotiation Period”).

 2.6. OPTION FEE. In consideration of ­­­­­­­­­­­­­­­­the \_\_\_\_\_\_\_\_\_ dollar ($\_\_\_\_\_\_\_) non-refundable option fee, which shall be due and payable within thirty (30) days of execution of this Agreement, MSU hereby grants to COMPANY the option rights contained herein.

 2.7 OPTION EXTENSION FEE. In consideration of the extension of the option for an additional twelve (12) month period, COMPANY shall pay to MSU a non-refundable option extension fee in the amount of \_\_\_\_\_\_\_\_\_ dollars ($**\_\_\_\_\_\_\_\_**) which shall be due and payable upon notice to extend said option period.

## ARTICLE III – COMPANY’S RIGHTS DURING OPTION PERIOD

 3.1 EVALUATION RIGHTS. COMPANY shall have the right to evaluate Intellectual Property Rights through appropriate internal mechanisms only. Internal evaluation shall include making or producing the technology. The technology may be evaluated externally by third parties through the execution of the agreements in Appendix A and changes to Appendix A must be approved in writing by MSU. Written notice must be provided to MSU for third party evaluation. Disapproval of third party evaluation shall be in writing from MSU within seven (7) days of the request. COMPANY shall only have the right to disclose information developed or determined through the Option Period for internal use only.

 EVALUATION RIGHTS include a non-exclusive license to use the inventions of the Intellectual Property Rights solely for internal evaluation purposes. COMPANY shall not sell, distribute, or otherwise transfer or provide to any third party any Licensed Products or Licensed Processes without the express written consent of MSU.

 3.2 CONFIDENTIALITY. COMPANY, and any third party evaluators, shall not have the right to publish, disclose, or otherwise make known any information related to the Intellectual Property Rights or the information obtained during the Option Period of the Intellectual Property Rights other than that information made publicly available by MSU or as made available by third parties except for disclosures necessary to secure appropriate funding to support commercialization of Intellectual Property Rights by COMPANY. Copies of all information obtained through the evaluation period shall be made available to MSU.

## ARTICLE IV – PATENT EXPENSES

 4.1 UNITED STATES FILINGS.MSU has agreed to support and pay Patent Expenses associated with United States Patent Application No. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ ­, titled “\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_”. If COMPANY exercises its Option to a License, the License will include provisions requiring COMPANY to reimburse MSU for these Patent Expenses.

## ARTICLE V – TERMINATION

 This Agreement shall terminate at the end of the option period, or any extension thereto, unless the option is exercised, in which case this Agreement will terminate at the end of the Negotiation Period or upon execution of a license agreement, whichever occurs first.

## ARTICLE VI -- MISCELLANEOUS PROVISIONS

 6.0. APPLICABLE LAW. This Agreement shall be construed and the rights of the parties determined in accordance with the laws of the State of Mississippi excluding its conflict and choice of law provisions. All disputes, claims or other matters are subject to resolution in the State of Mississippi and the COMPANY, its officials, agents, employees, and affiliates hereby subject themselves to the jurisdiction of the Mississippi Courts.

 6.1. USE OF NAME. No use of the name of MSU in any form of promotion or in connection with the sale of products, processes, devices, or designs is permitted without prior written approval from the other party.

 6.2. NOTICES AND CORRESPONDENCE. All notices required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes thereof when mailed by certified mail to the party to be notified.

 All notices to MSU and any correspondence respecting this Agreement shall be addressed as follows:

 To MSU:
 Mississippi State University

 Office of Technology Management

 P.O. Box 5282

 Mississippi State, MS 39762

To COMPANY:

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 6.3. MSU MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED, TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, VALIDITY OF INTELLECTUAL PROPERTY RIGHTS, INCLUDING PATENT RIGHTS CLAIMS, ISSUED OR PENDING, OR FOR THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER DISCOVERABLE OR NOT DISCOVERABLE. NOTHING IN THIS AGREEMENT SHALL BE CONSTRUED AS A REPRESENTATION MADE OR WARRANTY GIVEN BY MSU THAT THE RIGHTS GRANTED HEREUNDER SHALL NOT INFRINGE THE PATENT RIGHTS OF THIRD PARTIES. IN NO EVENT SHALL THE MISSISSIPPI BOARD OF TRUSTEES OF STATE INSTITUTIONS OF HIGHER LEARNING, MSU, THE TRUSTEES, OR ANY OFFICERS, AGENTS OR EMPLOYEES THEREOF BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOSS OF PROFITS, REGARDLESS OF WHETHER MSU SHALL BE ADVISED OF, SHALL OTHERWISE HAVE REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY THEREOF.

 IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed in duplicate by their duly authorized officers.

MISSISSIPPI STATE UNIVERSITY COMPANY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_ By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_

 (date) (date)

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mark E. Keenum Print Name

President \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Position