

**APPENDIX A**  
**Agreement Concerning Intellectual Property**

In consideration of my continued employment or engagement by Drexel University (the “*University*”) or my continued access to certain of its facilities, equipment or funds, I agree with the University as follows:

1. I have read and understood the University’s Intellectual Property Policy (the “*Policy*”). I agree to be bound by the Policy, as it may be amended from time to time. (A current copy of the Policy can be found on the website of the University. The current URL is: \_\_\_\_\_.)
2. I will disclose promptly and fully, in writing, to the designated official of the University, all Inventions and Commercial Works (as defined in the Policy). Ownership of Scholarly Works created by me will be dictated by the terms of the Policy. I hereby assign to the University all right, title and interest in and to the Inventions and the Commercial Works discovered or created by me under the terms of the Policy. I acknowledge that Commercial Works may be treated as works made for hire under applicable copyright law.
3. At the request of the University at any time and in accordance with the Policy, I will execute, without charge, written assignments to the University or its nominee of my entire right, title and interest in and to the Inventions and/or the Commercial Works throughout the world, including all patent applications, patents, copyright applications and copyrights anywhere relating to the Inventions and the Commercial Works and all right to file, obtain and maintain such applications, patents and copyrights.
4. At the request of the University, I will assist the University, without charge (except for reasonable compensation for my time, if the same is not covered by my employment, engagement or other remuneration by the University), in the following: (a) preparation, filing and prosecution of applications on any of the Inventions or the Commercial Works; (b) obtaining and maintaining patents or copyrights anywhere on any of the Inventions or the Commercial Works; and (c) cooperating in any litigation or proceedings (in courts, patent offices, copyright offices or elsewhere), or any arbitrations or negotiations relating to any of the Inventions or the Commercial Works.
5. This Agreement will inure to the benefit of the University and its nominees and their respective legal representatives, successors and assigns, and this Agreement will be binding upon me and my heirs, legal representatives, executors, administrators and assigns. Except with the express, prior, written consent of an authorized official of the University, no attempt by me to assign or transfer any rights in Inventions or Commercial Works to third parties will relieve me of any of my obligations under this Agreement or the Policy.
6. This Agreement, together with the Policy, supersedes any prior agreements or understandings between me and the University with respect to the subject matter of this Agreement. I represent that I am under no obligation to any other person, organization or corporation that is in conflict with my obligations to the University under either this Agreement or the Policy.

Signature: \_\_\_\_\_

Agreed and accepted on behalf of the University:

Printed Name: \_\_\_\_\_

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

Date: \_\_\_\_\_, 20\_\_

Date: \_\_\_\_\_, 20\_\_

## **APPENDIX B**

### Equity Considerations for License Transactions

One of the categories of potential licensees for an Invention or Commercial Work that is evaluated by OTC is a start-up or early stage company. Typically, a start-up company's survival will be tied to the development of the technology licensed to it by the University, and the company's research and development efforts will be focused on that technology. In some cases, a start-up may represent the only licensing alternative available to the University.

Most start-up companies, whether just formed or in existence for a few years, have little cash and no revenues. Under these circumstances, the heavy cash burden on the company of a traditional license transaction would divert critical cash from research and development efforts and diminish the company's ability to attract initial or subsequent investors. In such a licensing transaction, equity is often issued to the University at the commencement of the license and most of the company's cash obligations to the University are postponed until milestones are reached and sales and sublicense fees are generated. Equity is not accepted by the University in preference to cash. Rather, in the absence of sufficient cash compensation available from the company, equity is accepted by the University as compensation in addition to future fees and royalties, in lieu of all or part of the license initiation fees. Thus, the issuance of equity in a license transaction is often a reasonable business solution that enhances the overall potential financial return to the University and remains acceptable to the start-up company and its investors.

OTC uses the following requirements in negotiating license transactions with equity features:

- If the University accepts equity in a company, or in the event that an Inventor or Creator holds, or will hold, equity in the company on an individual basis, the requirements of the Conflict of Interest and Commitment Policy of the University must be followed.
- Once equity is received by the University, the equity will be held, managed and liquidated in accordance with the Intellectual Property Policy of the University and other applicable policies and procedures of the University, including procedures to ensure the non-disclosure of any material non-public information to the University's Office of Treasury and Investments from either OTC or relevant Inventors or Creators.

OTC uses the following objectives in negotiating license transactions with equity features:

- The company must be legally formed, managed by industry-experienced executives and have the potential for credible investors.
- The University's equity position should typically be a minority one.