

UMBC Express License Agreement

Introduction



The *University of Maryland, Baltimore County* (UMBC) supports our faculty, staff, and students as they pursue research in search of creating new economic opportunities through the transfer of inventions and technologies.

UMBC's *Office of Technology Development* (OTD) in the *Office of the Vice President for Research* (OVPR) assists the UMBC community in all phases of intellectual property protection and commercialization. In some instances, a Startup Company incorporated for that purpose could best develop an innovation.

Starting a company based on technology licensed from UMBC has just become easier as a result of the UMBC Express License Agreement. The benefits include but are not limited to the following:

- No cash required upfront and deferred reimbursement of patent expenses for up to two years, which gives more freedom to Startup Companies that need to conserve initial capital.
- An easier and more efficient licensing process that avoids protracted negotiations and presents fair and reasonable terms that are Startup Company friendly.

In order to use the UMBC Express License Agreement the following conditions must be met:

- A UMBC faculty, staff member or student is a founder of the Startup Company.
- All intellectual property rights are owned solely by UMBC, except that jointly owned rights will be considered if the other owner accepts the Express License Agreement terms.
- An application, including a business plan synopsis, is reviewed and approved by UMBC.
- The Express License Agreement is executed without modification.

Startup Companies are not required to use the Express License. If chosen otherwise, OTD will engage in traditional license negotiations with the Startup Company.

Recipients of Maryland Innovation Initiative (MII) Phase III project funding that meet the above criteria are automatically pre-qualified, pending Conflict of Interest Committee review and approval.

UMBC Express License Application

Use of the UMBC Express License Agreement is contingent upon the submission of an Express License Application and approval by UMBC. In order to complete the application, an applicant must submit:

- An application form (Please contact: Wendy Martin in OTD wmartin@umbc.edu) that includes a business plan synopsis, which sets forth the Startup Company's plan to develop and commercialize the new discovery, identifies key management team members, and includes a preliminary capitalization plan; and
- Notice of satisfactory completion of Conflict of Interest (COI) review and approval (from UMBC inventors who will receive equity as a founder of the Startup Company). COI review should be initiated early in the Startup Company formation process in order to allow sufficient time for review. (Please contact: Tim Sparklin in ORPC, sparklin@umbc.edu).

Once a complete application has been submitted to OTD, a review committee will evaluate the application and endeavor to submit a decision within two weeks of the applicant's submission. However, the complete application can be submitted concurrent with or prior to completion of the Conflict of Interest Review in which case final approval will be contingent upon notice of satisfactory completion of the Conflict of Interest review.

Communication

In order to make the licensing process more efficient, it is important OTD and Company management communicate on a regular basis. The Company contact should be the CEO or his/her designate. Ideally, the UMBC faculty member who is the founder of the Company should not be the primary point of contact for the Company.

Patent Prosecution

Throughout the life of the Express License Agreement, UMBC shall be responsible for the prosecution and maintenance of all patents and patent applications specified under the Express License Agreement. UMBC utilizes outside counsel for utility patent filings and prosecution. Counsel is managed and chosen by OTD. However, UMBC shall provide Company a reasonable opportunity to comment and advise on patent prosecution and maintenance matters.

Legal Representation:

- All patent applications will be filed on behalf of and managed by UMBC.
- All official correspondence will be directed to OTD with a copy provided to the Company designee.
- Use of UMBC patent prosecution counsel for representation on Company matters represents a conflict of interest for the attorney and as such UMBC requires that the Startup Company does not use the UMBC patent prosecution counsel for Company matters. (Request for exemptions from this standard practice will be evaluated on a case-by-case basis).

Financial Management:

- All attorney invoices for patent prosecution costs will be directed to UMBC.
- Companies using the Express License can defer reimbursing UMBC for patent costs incurred prior to the Effective Date; and up to \$10,000 of patent costs incurred subsequent to the Effective Date and prior to the 2nd anniversary of the Effective Date; until the completion of a two (2) year deferral period or other qualifying event as noted in the Express License, whichever is earlier.
- Once the deferral period has ended, these expenses will be due within 30 days of receiving an invoice from UMBC, or if elected, the Company may negotiate a payment plan as noted in the Express License.
- Questions regarding payment or invoices should be directed to; Olga Aquino in OTD, oaquino@umbc.edu
- Failure to make timely payment to UMBC at the time or times that such payment is due to UMBC is a material breach by the Startup Company of the Agreement.
- In accordance with the Express License, if the Startup Company elects not to have a patent application filed, to abandon applications, or claims, UMBC, in its sole discretion and at its sole expense, may continue prosecution and maintenance, and the Startup Company will not be licensed thereunder.