

UBC Express Spin-Off License Agreement

Standard Terms of License

Ownership of Intellectual Property

Per the requirements of UBC Policy LR11, UBC is the owner of Intellectual Property (“IP”) generated during the course of University Research.

For related IP generated after the start date of the license (“Improvements”), these are owned by the creator of the Improvement, so Improvements created by the Spin-off are owned by the Spin-off, Improvements that are jointly created by the Spin-off and UBC are Jointly owned (and UBC’s rights are licensed to the Spin-off), etc.

Grant of Rights

The UBC Express Spin-off License Agreement provides the Spin-off with an exclusive worldwide license to use, commercialize, and sublicense the IP and any Improvements.

Improvements

Unlike the vast majority of other Express Licenses used by academic institutions, which typically do not provide rights to Improvements to the initially licensed IP, UBC Express Spin-off License Agreement provides the spin-off with a license to unencumbered Improvements generated in the laboratory of the founding researcher(s) for a period of five-years from the start-date of the license agreement. These Improvements are included in the grant of license at no additional cost to the Spin-off company.

Unencumbered Improvements excludes any developments to the IP that are otherwise subject to existing or future third-party rights.

Retained License

As part of UBC's mission to create and disseminate knowledge, UBC must retain the right to practice the licensed IP, for non-profit research, educational, or other non-commercial purposes, including sponsored research.

Sublicensing

Spin-offs can sublicense the licensed IP without UBC's consent if (i) the sublicensee is well capitalized and able to progress commercialization of the IP, (ii) the sublicensee agrees to indemnify UBC for the sublicensee's use of the licensed IP, and (iii) UBC is provided with a copy of the sublicensee agreement.

Under the terms of the UBC Express Spin-off License Agreement, Spin-offs are also able to enter into research, development, and manufacturing contracts, which may require the grant of a sublicense, without the requirements listed above.

Publication Rights

As an academic institution, UBC's primary mission is to educate students and to publish research, as such UBC must retain the right to publish the results of all research generated at the university. The UBC Express Spin-off License Agreement provides the Spin-off with the right to review relevant publications prior to their publication to ensure: (i) that no confidential information belonging to the Spin-off is included and, (ii) to ensure that if potential patentable Improvements are described by the publication that UBC and the Spin-off have sufficient time to file for patent protection.

IP Management

As the owner of the licensed IP UBC owns and controls the patents, and will ensure that the any patents provide appropriately broad and enforceable protection. Once the Spin-off has raised sufficient operating capital, it can request to assume management of patent prosecution and maintenance, and may select its preferred patent counsel. UBC will continue to be copied on all material patent correspondence, and the Spin-off may not significantly limit the scope of the patent, nor abandon any licensed patent, without UBC's prior approval.

IP Expenses

UBC will be responsible for the first CDN\$20,000 of patent costs for the licensed IP. The Spin-off will be responsible for any costs in excess of this amount. If UBC has incurred >\$20,000 in patent expenses prior to the execution of the express agreement, the Spin-off will reimburse the excess to UBC once the Spin-off has raised sufficient capital.

Assignment of the license agreement

The Spin-off may assign the UBC Express Spin-off License Agreement to a company as part of an acquisition of the Spin-off by a third party. The acquiror must have the financial and technical ability to assume the obligations of the agreement and a CDN\$20,000 fee is payable to UBC.

Indemnification

UBC requires that all licensees indemnify UBC for claims and liability arising out of the Spin-off's use of the products or services which utilize UBC IP or Improvements. Ultimately UBC does not control how the Spin-off may commercialize or use the licensed IP, and cannot manage product safety, regulatory approvals, or commercialization risks. As a public institution UBC must be shielded from exposure to third-party claims, as required by provincial policies on financial and risk management.

Further, UBC is prohibited from providing any reciprocal indemnification to our licensees in accordance with British Columbia's Indemnities and Guarantees Regulation ("IGR"), passed pursuant to the Financial Administration Act ("FAA").

Warranties

UBC will only provide the limited warranties that the inventors listed on the patents have assigned their rights in the patents to UBC and that the Innovation UBC office has not received any written notice that the licensed IP infringes third party rights. No other representations or warranties will be made by UBC.

Insurance

UBC requires that all of its licensees obtain general liability insurance as part of any intellectual property licensing agreement, including product liability insurance, on such terms and in such amounts as are reasonable and customary within their particular industry, and that such insurance coverage lists UBC and its board of governors, employees, students, officers, agents, inventors, affiliates, and representatives as additional insureds.

IP Enforcement

The Spin-off has the first right to institute a legal action against suspected infringers of the licensed IP, in its own name and at its own expense. UBC may be named as a party to the infringement proceedings if required for the Spin-off to have legal standing.

Choice of Law

The agreement is governed by the laws of British Columbia. UBC is a provincial entity with obligations to comply with BC legislation, including research governance, financial administration, and intellectual property policies. Since the BC government provides institutional funding and oversight, and the research and patents originate in BC, UBC must align its contractual obligations with provincial laws.