Northeast Ohio Medical University (NEOMED)

Intellectual Property

 Licensing Key term Sheet

1. Technology/IP: [To Be Defined]
2. Field of Use: [Subject to Negotiation]
3. Licensed Territory: [Subject to Negotiation]
4. Exclusivity: Exclusive Commercial; NEOMED retains right to use for Educational Research Purposes
5. Patent expenses: Total patent expenses are unknown at this time but expected to exceed $X. Licensee to pay all patent expenses according to the following schedule:
	1. End of Year 1 = 1/3 Expenses
	2. End of Year 2 = 1/3 Expenses
	3. End of Year 3 = 1/3 Expenses
	4. Year 4+ = patent expenses and filing fees as incurred
6. Annual Maintenance Fee:
	1. Years 0-3 = $0
	2. Years 3-5 = $10,000
	3. Years 5+ = $20,000
	4. Maintenance fees will be credited against minimum royalties after first commercial sale
7. Sub-license:
	1. Requires NEOMED approval
	2. 20% of sublicensing revenue (royalty)
8. Performance Milestones:
	1. Financing > $X within 1 year [Subject to Negotiation]
	2. Financing > $X within 3 years [Subject to Negotiation]
	3. [Clinical Trial or Other Milestone Subject to Negotation]
9. Milestone Payments (For Therapeutics)
	1. Initiate Phase II Study: $X [Subject to Negotiation]
	2. Initiate Phase III Study: $X [Subject to Negotiation]
	3. New Drug Application: $X [Subject to Negotiation]
10. Royalty Rate:
	1. 2% of net sales for FDA approved products, 3% for other products, with minimum royalties of:
		1. $25,000 per year in Year 5+
11. Liquidity Clause/Contract Fee:
	1. 2% of company fair market value at time of liquidity event (IPO, Acquisition, etc.)
12. NEOMED has the right to terminate License if Performance Milestones are not achieved and/or Milestone Payments are not received when due