

INTELLECTUAL AND OTHER PROPERTY, CONFIDENTIAL INFORMATION AND NONSOLICITATION

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Scope

This Policy on Intellectual and Other Property, Confidential Information and Nonsolicitation applies to faculty, staff, predoctoral researchers, summer scholars and applicants (“Covered Individuals”) of The Graduate School of the Stowers Institute for Medical Research (“The School”).

Purpose

The Stowers Institute for Medical Research conducts basic research on genes and proteins that control fundamental processes in living cells to unlock the mysteries of disease and find the keys to their causes, treatment, and prevention. To carry out this mission, the SGC has established this Policy to (i) promote, preserve, encourage and aid scientific investigation and research at SIMR, (ii) establish the rights and obligations of the SGC and the Covered Individuals with respect to intellectual and other property, confidential information and non-solicitation, (iii) ensure compliance with applicable laws and regulations, (iv) encourage interaction between Covered Individuals and the scientific community, including through publication of research results, in a manner that secures protection of SGC intellectual property and confidential information, and (v) provide an organizational structure and procedures that facilitate and provide for an equitable distribution of the rewards resulting from the commercialization of intellectual property.

The School is included in the Stowers Group of Companies (“SGC”) Organizations and has adopted the following policy as its own.

Policy

Intellectual Property

Definition of Intellectual Property

“Intellectual Property” means all property covered by patent, trademark, copyright, or trade secret laws, including, without limitation, all inventions, discoveries, ideas, improvements, modifications, know-how, creations, methods, processes, compositions, biological materials (any material capable of self-replication, either directly or indirectly, including vectors, cell lines, hybridomas, clones, organisms, nucleotide sequences, and amino acid sequences), chemical materials, devices, software, source code, object code and machine language, derivatives, trademarks, service marks, marketing data, marketing plans, art work, manuals, writings, donor lists, promotional materials, and contact lists.

SGC Intellectual Property

“SGC Intellectual Property” means all Intellectual Property that is invented, authored, made, or conceived by the Covered Individual alone or with others during the period of his or her employment or other association with the SGC, whether or not such Intellectual Property is invented, authored, made, or conceived (i) during normal working hours, (ii) on the premises of an SGC Organization, or (iii) with the use of the SGC’s equipment, supplies, facilities, monetary support or Confidential Information (as defined in this Policy).

Notwithstanding the foregoing, SGC Intellectual Property will not include the following Intellectual Property: (i) with respect to all Covered Individuals, any artistic, literary or scholarly Intellectual Property, such as books, articles and other publications, works of art, computer programs, and music recordings, despite the use of SGC resources, so long as such work is not created under the direction and control of the SGC; and (ii) with respect to (a) non-exempt members who work on an hourly basis, (b) exempt members who work part-time, and (c) visiting scientists who do not receive a salary or other compensation from the SGC, any Intellectual Property that is invented, authored, made, or conceived without the use of the SGC’s equipment, supplies, facilities, monetary support, or Confidential Information, and entirely on the Covered Individual’s own time away from the SGC’s premises, and that is wholly unrelated to the Covered Individual’s employment or other association with the SGC.

Ownership of SGC Intellectual Property

All SGC Intellectual Property will be considered work(s) made by Covered Individuals for hire for the SGC and will belong exclusively to the SGC. If by operation of law any SGC Intellectual Property is not owned in its entirety by the SGC automatically upon creation thereof, then each Covered Individual hereby assigns to the SGC any and all title, interests, and rights in SGC Intellectual Property, including, without limitation, worldwide rights, moral rights, and inventions, including patents and patent applications arising from that SGC Intellectual Property. Each Covered Individual also hereby forever waives and agrees never to assert against the SGC, its successors or licensees any and all rights in SGC Intellectual Property. Covered Individuals will cooperate fully with the SGC both during and after the term of his or her employment or other association with the SGC, including, without limitation, the execution and delivery of any assignment, patent application, power of attorney, or other document that the SGC may deem necessary to secure, enforce, defend, and maintain rights in SGC Intellectual Property in any and all countries.

Ownership of SGC Intellectual Property invented, authored, made, or conceived as a direct or indirect result of the duties or research activities of Covered Individuals from a program of research financed in part by the United States Government will be determined consistently with the terms of the applicable Government grant or contract. In cases where the Government claims no ownership or patent or copyright rights, or waives its rights, the provisions of the preceding paragraph will control.

Disclosures of Prior Intellectual Property and SGC Intellectual Property

Each Covered Individual using the SGC’s approved disclosure form must, at the time he or she becomes employed by or otherwise associated with the SGC, disclose in writing, in sufficient

detail to define clearly, all Intellectual Property invented, authored, made, or conceived by the Covered Individual, alone or with others, prior to the employment or association with the SGC, including, without limitation, listing all papers, abstracts, patent applications, patents, books, and journals, and any confidentiality, non-compete, assignment of Intellectual Property, or other similar agreements or policies to which he or she is a party or otherwise subject. The preceding subsection (Ownership of SGC Intellectual Property) will not apply to any Intellectual Property listed in that disclosure.

Each Covered Individual, using the SGC's approved disclosure form, must also promptly communicate and disclose in writing to the SGC any SGC Intellectual Property created by the Covered Individual. Covered Individuals should consult the President and CEO of SIMR or his/her designee with respect to their duties to disclose SGC Intellectual Property and the manner and timeliness with which such disclosures should be made to the SGC.

Waiver or Return of Rights

The SGC Organization may in its sole discretion waive to the Covered Individual(s) who creates SGC Intellectual Property the SGC's rights therein, provided the waiver does not conflict with obligations to the United States Government or other interested parties. This arrangement may be appropriate, for example, if the SGC do not intend to protect or commercialize the invention because it is beyond the scope of the SGC's business. The SGC may make the waiver or other return of rights contingent upon the SGC's receipt of an automatic fully paid-up, royalty-free non-exclusive license for the SGC's non-profit use. Requests for this type of arrangement must be made in writing to the SIMR President and CEO or his/her designee.

The SGC may also recommend that BioMed Valley Discoveries provide the Covered Individual(s) with a license to the Intellectual Property. Any such license will be negotiated by BioMed Valley Discoveries at its sole discretion.

Division of Proceeds

It is the express business goal of the SGC to maximize the economic value of SGC Intellectual Property, and to reward Covered Individuals through the equitable sharing of proceeds derived from discovery development activities with respect to SGC Intellectual Property.

If SGC Intellectual Property is the joint invention of two or more Covered Individuals and these Individuals cannot agree on an arrangement for the sharing of the proceeds within a reasonable period of time that is acceptable to the SIMR President and CEO or his/her designee, the President and CEO will convene an Allocation Advisory Group to make a recommendation to the President and CEO who will have the final binding decision on the division of the proceeds among inventors. The Allocation Advisory Group will have at least one member who is a Principal Investigator and one who is not a Principal Investigator. Before the Allocation Advisory Group makes its recommendation, each Inventor shall have the opportunity to present his/her case to the Group.

Cash-Only Licenses

Cash-Only Licenses are those licenses where the SGC's compensation does not include stock or stock options. For Cash-Only Licenses, the SGC will pay to the Covered Individuals named as the inventor(s) of SGC Intellectual Property in accordance with U.S. patent law (the "Inventor(s)") fifty percent (50%) of the Inventor-Institution Margin received by the SGC from its discovery development activities with respect to that SGC Intellectual Property. Inventor-Institution Margin is gross cash income from upfront payments, milestones, and royalties reduced by any and all costs and expenses incurred by the SGC in connection with discovery development activities, including, without limitation, (i) costs and expenses in connection with obtaining and maintaining intellectual property protection for the SGC Intellectual Property, (ii) costs and expenses associated with marketing and negotiating the transfer of the SGC Intellectual Property, and (iii) required payments to any third party, including, without limitation, royalty fees paid to third-party institutions. The SGC will in its sole discretion determine the appropriate reporting period for calculating Inventor-Institution Margin.

Equity Licenses

Equity Licenses are those licenses where the SGC's compensation includes equity such as stock or stock options. For Equity Licenses, the SGC will pay the Inventors fifty percent (50%) of the Inventor-Institution Margin. The SGC will also transfer 50% of any equity received by the SGC to the Inventor(s), subject to any restrictions placed on Inventor(s) as a condition of their receipt of funding from a third party. In such cases, the SGC will make every effort to reach an equitable arrangement with the Inventor(s) and the third party to maximize the total compensation received by the Inventor(s). The SIMR President and CEO will determine when to stop such efforts. After this determination, if the Inventor must forfeit any equity, the Allocation Advisory Group will make a recommendation to the President and CEO of SIMR on the disposition of the forfeited equity. The SIMR President and CEO will have the final binding decision on the disposition of forfeited equity.

Prosecution and Development

A Development Advisory Board will make recommendations to the SIMR President and CEO and the BioMed Valley Discoveries President and CEO on the protection and development of Intellectual Property. The Development Advisory Board will include members of SIMR and BioMed Valley Discoveries. The SIMR President and CEO will have the final binding decision on all matters related to the protection of Intellectual Property while the BioMed Valley Discoveries President and CEO will have the final binding decision on all matters related to the development of Intellectual Property.

Upon disclosure of SGC Intellectual Property to the SGC, the Development Advisory Board will make a recommendation to the SIMR President and CEO on whether to file a patent application, publish a paper or abstract, or maintain the property or information as a trade secret. The Development Advisory Board will also make recommendations on the selection of the attorney or law firm that is to prepare and prosecute all patent applications. Before the Development Advisory Board makes its recommendation, each individual Inventor shall have the option to make a presentation to the Board. Covered Individuals are not given the authority to select outside consultants, attorneys, accountants, or any other service provider without the express

written permission of the SIMR President and CEO or his or her designee. The SIMR President and CEO will make the final binding decision on all matters related to the protection of Intellectual Property.

As appropriate, the Development Advisory Board will make a recommendation to the President and CEO of BioMed Valley Discoveries on all other aspects of the development of Intellectual Property. Before the Development Advisory Board makes its recommendation, each Inventor shall have the option to make a presentation to the Board on these matters. The President and CEO of BioMed Valley Discoveries will make the final binding decision on all matters related to the development of Intellectual Property.

SGC Property

All research, invention records and data, drawings, notebooks, computer readable information, electronic data, biological materials (including cell lines, specimens, vectors, clones, hybridomas, amino acid sequences, nucleotide sequences, and modified organisms), chemical materials (including all reagents, solutions, and chemicals), compositions, equipment, apparatus, instruments, tools or any other devices of any kind, and all computer programs, software, or any other materials, documents, records or data of any kind, furnished to a Covered Individual by the SGC or developed by a Covered Individual on behalf of the SGC or at the SGC's direction or for the SGC's use or otherwise in connection with a Covered Individual's employment or other association with the SGC ("SGC Property"), are and will remain the sole property of the SGC, including in each case all copies thereof in any medium, including computer readable information and other forms of information storage. At no time will a Covered Individual, directly or indirectly, remove or cause to be removed from the premises of an SGC Organization any SGC Property except in furtherance of the performance of a Covered Individual's duties or approved activities; provided, however, that a Covered Individual may remove copies of records, drawings, notebooks, and electronic data relating to research conducted or directed by the Covered Individual. If the SGC requests the return of SGC Property (whether or not containing Confidential Information) at any time during or at or after the termination of a Covered Individual's employment or other association with the SGC, the Covered Individual will deliver the SGC Property and all copies of the same to the SGC immediately (except with respect to the research-related copies removed in accordance with this paragraph).

Nonsolicitation and Confidential Information

During and as a result of the employment or other association with SGC, Covered Individuals will gain access to Confidential Information of the SGC. In consideration of the special and unique opportunities and access afforded by the SGC to Covered Individuals as a result of his or her employment or other association with the SGC, each Covered Individual will comply with the following:

Nonsolicitation

For so long as a Covered Individual remains employed by or otherwise associated with the SGC and for a period of two (2) years after the termination of his or her employment or association for any reason (the "Restricted Period"), a Covered Individual will not directly or indirectly induce

or attempt to influence any other Covered Individual (other than members of a Covered Individual's laboratory, if applicable) to terminate employment or other association with the SGC. Covered Individual(s) may make a written request to the SIMR President and CEO for exceptions to the nonsolicitation policy.

Confidential Information

A Covered Individual will not use for the Covered Individual's personal benefit, or disclose, communicate, publish, or divulge to, or use for the direct or indirect benefit of any person or entity, or authorize anyone else to disclose, communicate, publish, divulge or use, any Confidential Information, except (i) as specifically required in the conduct of the SGC's business, (ii) in accordance with the next paragraph, or (iii) as expressly authorized in writing by the SGC. "Confidential Information" means any information regarding the SGC's business methods, business policies, procedures, experimentation, techniques, services, research or development projects or results, or Intellectual Property; historical or projected financial information, budgets, trade secrets, personnel information, or other knowledge or processes of or developed by the SGC; or any other confidential information relating to or dealing with the business, operations or activities of the SGC, excepting in each case information otherwise lawfully known generally by, or readily accessible to, the general public; provided, however, that information will not be deemed to be generally known or readily accessible to the general public merely because the specific information is embraced by more general information that is so known or accessible. The provisions of this paragraph will apply during and after the period when a Covered Individual is employed by or otherwise associated with the SGC and will be in addition to (and not a limitation of) any legally applicable protection of the SGC's interest in Confidential Information.

Publication

Nothing in this Policy will limit or restrict the right of Covered Individuals to publish results of their research, either in written or oral form, subject to reasonable delays or alterations to preserve patent or other intellectual property rights and to protect Confidential Information. In the event a Covered Individual intends to discuss research results in a printed publication, including, without limitation, an article, abstract, student thesis, or grant proposal, he or she will submit a copy of the text to the Office of the SIMR President and CEO as soon as possible prior to submission for publication, together with a statement indicating whether the Covered Individual believes that any SGC Intellectual Property discussed therein should be considered for patent protection or that the text does not disclose any SGC Intellectual Property. The Office of the SIMR President and CEO will notify the Development Advisory Board of any planned disclosure of Intellectual Property. In the event the Covered Individual plans to make an oral presentation at a scientific gathering that discusses research results, he or she has the responsibility to prevent disclosure of Confidential Information in contravention of the standards set forth in the previous paragraph and to prevent disclosure of SGC Intellectual Property that the Covered Individual determines should be considered for patent or other intellectual property protection. The Covered Individual will delay publication or make any alteration requested by the SGC if the SGC determines that a delay in publication or alteration is necessary to protect SGC Intellectual Property rights or its Confidential Information.

There is no requirement for a specific notification period before disclosure. As general guidance, notice of 3 weeks or more provides sufficient time to devise and implement a well-reasoned plan for the comprehensive protection of the Intellectual Property. Notice of approximately 2 weeks provides sufficient time to devise and implement a basic plan for moderate protection. Notice of less than one week may or may not provide sufficient time for a minimal plan that provides limited protection.

Termination or Amendment of Policy

This Policy may be amended or terminated, in whole or in part, at any time by the SGC. Such an amendment or termination will not affect rights accrued to a Covered Individual with respect to the sharing of proceeds derived from SGC Intellectual Property prior to the date of the amendment or termination.

Severability

If any court of competent jurisdiction holds any provision of this Policy invalid or unenforceable, the other provisions of this Policy will remain in full force and effect. Any provision of this Policy held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

Agreements

All Covered Individuals are required to sign Form F201La, Intellectual and Other Property, Confidential Information and Nonsolicitation Policy Agreement, providing for the assignment of all rights in SGC Intellectual Property to the SGC and otherwise incorporating the terms of this Policy.

This policy was approved by the GSSIMR Board of Directors on September 5, 2018.

This policy was last updated by the GSSIMR Board of Directors on November 09, 2020.

This policy will be reviewed by the GSSIMR Board of Directors in 2022.