

LICENSING PROCESS

TRADITIONAL MODEL ¹

Inventions (IP) – owned by the inventor/assignee

Option – sponsor receives an option to exclusively license NDSU IP that is developed in the performance of the research project.

Costs – payment and royalties are negotiated at time of license at commercially reasonable rates.

ASSESSMENT NON-EXCLUSIVE ROYALTY-FREE (ASSESSMENT NERF) ^{1,2,3}

Inventions (IP) – owned by the inventor/assignee

License – sponsor is entitled to a non-exclusive, royalty-free license in a defined field of use.

Term – 5 years

Option – sponsor receives an option to extend the non-exclusive license beyond the term at commercially reasonable rates. No sublicensing rights are granted to sponsor.

Issue fee – none

OPTION NON-EXCLUSIVE ROYALTY-FREE (OPTION NERF) ^{1,2,3}

Inventions (IP) – owned by the inventor/assignee

License – sponsor is entitled to a non-exclusive, royalty-free license in a defined field of use for the life of the patent.

Term – life of patent

Option – sponsor receives an option to convert the license to an exclusive royalty-bearing license.

Issue fee – 5 percent of total project costs (\$7,500 minimum)

ADVANCE LICENSE ^{1,2,3}

Inventions (IP) – owned by the inventor/assignee

License – sponsor is entitled to an exclusive, royalty-free* license in a defined field of use (sublicenses permitted).

Term – life of patent

Issue fee – 10 percent of total project costs (\$15,000 minimum)

*License is royalty-free until annual sales reach \$20 million, at which time a royalty rate of 1 percent of annual net sales will commence.

¹ Sponsor is always granted the right to use IP or other research results for its own internal research purposes.

² Not available for projects using state or federal funding.

³ License is contingent upon sponsor's payment of patent expenses.

Pat - term