

Sale of Partial Interest in Invention

This Packet Includes:

1. General Information
2. Instructions and Checklist
3. Sale of Partial Interest in Invention

General Information

Sale of Partial Interest in Invention

This Sale of Partial Interest in Invention is between a company and an inventor who agrees to sell partial interest in any inventions discovered while in the employ of the company. This agreement sets forth the specifics regarding the employment engagement including divulging of proprietary information and the compensation to be paid to inventor. It also sets out the percentage of any invention which will be transferred and assigned to the company.

It is essential that this type of business arrangement be clearly set forth in writing. A written Sale of Partial Interest in Invention will prove useful in the event of disagreements, misunderstandings or litigation regarding the ownership of an invention.

Instructions and Checklist

Sale of Partial Interest in Invention

- Read the agreement carefully.
- Insert all requested information in the spaces provided on the form.
- This form contains the basic terms and language that should be included in similar agreements.
- Read the "Proprietary Information" provision carefully and review its contents. If it is ambiguous, describe it fully and include examples to remove as much ambiguity as possible.
- Read the "Inventor's Inventions and Ideas" provision carefully. If there are disagreements, they will likely focus on this provision. If the provision is unclear, describe it fully and include examples to remove as much confusion as possible.
- Both the company and inventor must sign the agreement.
- Both parties should retain either an original or copy of the signed agreement.
- All legal documents should be kept in a safe location such as a fireproof safe or safe deposit box.

DISCLAIMER:

FindLegalForms, Inc. (“FLF”) is not a law firm and does not provide legal advice. The use of these materials is not a substitute for legal advice. Only an attorney can provide legal advice. An attorney should be consulted for all serious legal matters. No Attorney-Client relationship is created by use of these materials.

THESE MATERIALS ARE PROVIDED “AS-IS.” FLF DOES NOT GIVE ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY OR COMPLETENESS FOR ANY OF THE MATERIALS FOR YOUR PARTICULAR NEEDS. THE MATERIALS ARE USED AT YOUR OWN RISK. IN NO EVENT WILL: I) FLF, ITS AGENTS, PARTNERS, OR AFFILIATES; OR II) THE PROVIDERS, AUTHORS OR PUBLISHERS OF ITS MATERIALS, BE RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOSS OF USE, DATE OR PROFITS; OR BUSINESS INTERRUPTION) HOWEVER USED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT (INCLUDING NEGLIGENCE OR OTHERWISE) ARISING IN ANY WAY OUT OF THE USE OF THESE MATERIALS.

SALE OF PARTIAL INTEREST IN INVENTION

This Agreement (the “Agreement”) is entered into on [Date] by and between [Name of Company engaging inventor] (hereinafter referred to as “Company”), a [Name state of incorporation] corporation, having its principal offices at [Name city and state], and [Name of the inventor], an independent contractor (hereinafter referred to as “Inventor”).

RECITALS:

- A. The Company desires to obtain the services of Inventor on its own behalf and on behalf of all existing and future Affiliated Companies (defined as any corporation or other business entity or entities that directly or indirectly controls, is controlled by, or is under common control with the Company), and Inventor desires to provide consulting services to the Company upon the terms and conditions in this Agreement.

- B. The Company has spent significant time, effort, and money to develop certain Proprietary Information (as defined below), which the Company considers vital to its business and goodwill.

- C. The Company’s Proprietary Information, as defined below, shall necessarily be communicated to or acquired by Inventor in the course of providing consulting services to the Company, and the Company desires to obtain the services of Inventor and to protect its Proprietary Information.

- D. Nothing in this Agreement shall be construed to conflict with Inventor’s obligations and duties as such, including Inventor’s duties to protect information that is confidential and/or the property of [pre-existing employer], to not to disclose such protected information to Company or any third party, and to fully comply with his/her pre-existing employment obligations, the _____ Patent Policy, the Compensation Plan and other applicable regulations.

Accordingly, the parties agree as follows:

1. **00000000Consulting Period**

1.1 Term The Company hereby retains the Inventor and Inventor agrees to render to the Company those services described in Scope of Services, Exhibit A, incorporated by reference and

attached hereto, for the period (the “Consulting Period”) commencing on the date of this Agreement and continuing through the time specified in Exhibit A, not to exceed ____ days or to otherwise violate any provision of the [pre-existing employer Comp Plan] or other regulations applicable to Inventor as an employee at [pre-existing employer].

1.2 Termination At any time, either party may terminate, without liability, the Consulting Period for any reason, with or without cause, by giving [agreed upon number of days] days advance written notice to the other party. The Company shall pay Inventor the compensation to which the Inventor is entitled pursuant to Section 3(a).

1.0 Duties, Responsibilities

2.1 Inventor hereby agrees to provide and perform for the Company those services set forth in Exhibit A.

2.2 Company hereby agrees to provide compensation and reimbursement for travel and other reasonable business expenses incurred by Inventor under the scope of this agreement.

2. Compensation, Benefits, Expenses

3.1 Compensation In consideration of the services to be rendered hereunder, including, without limitation, services to any Affiliated Company, Inventor shall be paid [compensation], payable at the time and pursuant to the procedures as set forth in Exhibit A.

3.2 Benefits Other than the compensation specified in Sections 3(a) and 5(c), Inventor shall not be entitled to any direct or indirect compensation for services performed hereunder.

4.0 Proprietary Information

4.1 Defined “Proprietary Information” is all information and any idea in whatever form, tangible or intangible, pertaining in any manner to the business of the Company or any Affiliated Company, or to its clients, Inventors, or business associates, unless: (i) the information is or becomes publicly known through lawful means and through no fault of the Inventor; (ii) the information was rightfully in Inventor’s or its Agents’ possession or part of its general knowledge prior to the Consulting Period; or (iii) the information is disclosed to Inventor or its Agents without confidential or proprietary restrictions by a third party who rightfully possesses the information (without confidential or proprietary restriction) and did not learn of it, directly or indirectly, from the Company.

Inventor hereby acknowledges and agrees that all property, including, all books, manuals, records, reports, notes, contracts, lists, blueprints, and other documents, or materials, or copies thereof, that is produced under this Agreement is Proprietary Information (as defined herein), and equipment furnished to or prepared by Inventor in the course of or incident to rendering of services to the Company, belong to the Company and shall be promptly returned to the Company upon request.

4.2 Notwithstanding the pre-existing employment obligations Inventor has with the [The

Regents of the pre-existing employer] (hereinafter referred to as "The Regents") and Inventor's pre-existing contractual obligations with The Regents pursuant to his/her employment obligations to The Regents and the Patent Agreement between the Inventor and The Regents, Inventor agrees as follows:

Inventor agrees to hold all Company's Proprietary Information in strict confidence and trust for the sole benefit of the Company and not to, disclose, use, copy, publish, summarize, or remove from Company's premises any Proprietary Information (or remove from the premises any other property of the Company) during the Consulting Period except (i) to the extent necessary to carry out Inventor's responsibilities under this Agreement or (ii) after termination of the Consulting Period or (iii) when the information falls within the guidelines of 5(b) of this agreement.

5.0 Inventor's Inventions and Ideas

5.1 Defined The term "Invention Ideas" means any and all ideas, processes, trademarks, service marks, inventions, technology, computer programs, original works of authorship, designs, formulas, discoveries, patents, copyrights, and all improvements, rights, and claims related to the foregoing that are conceived, developed, or reduced to practice by the Inventor under the scope of this agreement except to the extent that _____ lawfully prohibits the assignment of rights in such ideas, processes, inventions, etc.

5.2 Company acknowledges that Inventor is an employee of the [pre-existing employer] with pre-existing obligations to disclose and to assign patent rights to The Regents consistent with the Patent Agreement provided as Exhibit B and made a part of this agreement.

Company is informed that Inventor has signed a Patent Agreement with The Regents and under that agreement Inventor agreed to report any inventions conceived or made during the term of Inventor's [pre-existing employer] employment, and to assign such inventions to The Regents in accordance with the terms of its Patent Policy. Nothing in this agreement shall be construed to interfere with these obligations to The Regents.

Company, by signing the Inventor Agreement, is agreeing that Inventor cannot assign rights to inventions that relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated researcher development of the employer and/or relate from any work performed by the employee (Inventor) for the employer.

5.3 Assignment Inventor hereby transfers and assigns to Company _____ percent (____%) of Inventor's entire right, title, and interest in the invention, and in any improvements to the invention heretofore or hereinafter made or acquired by Inventor. This transfer includes Inventor's rights in the Application and Inventor's rights of priority in and to the invention pursuant to the International Convention for the Protection of Industrial Property, and in any patents on the invention or improvements to the invention that may be granted in the United States or in any other country anywhere in the world, including each patent granted on any application that is a division, substitution, or continuance of the Application specifically identified in this Agreement, and in each reissue or extension of any patent. Simultaneously with the execution hereof, Inventor will execute an assignment to Investor of the foregoing rights in form suitable for filing with the U.S.

Patent Office.

Inventor agrees to furnish and execute such additional documents as Company may require to establish Company's share of ownership of the copyright in the work including without limitation, such assignments of copyright therein throughout the world as Company may deem appropriate. Inventor shall be compensated at the then prevailing hourly rate, agreed to in advance by Company, for any services rendered in connection with this Paragraph 5 at the request of Company.

Should the Company be unable to secure Inventor's signature on any document necessary to apply for, prosecute, obtain, or enforce any patent, copyright, or other right or protection relating to any Invention Idea, Inventor hereby irrevocably designates and appoints Company and each of its duly authorized officers and agents as Inventor's agent and attorney in fact, to act for and in Inventor's behalf and stead and to execute and file any such document, and to do all other lawfully permitted acts to further the prosecution, issuance, and enforcement of patents, copyrights, or other rights or protections with the same force and effect as if executed and delivered by Inventor.

5.4 Interference with Business; Competitive Activities Inventor agrees that for a period of ____ () year after termination of the Consulting Period, Inventor shall not (i) divert or attempt to divert from the Company any business of any kind in which it is engaged, including, without limitation, the solicitation of or interference with any of its suppliers or customers; or (ii) employ, solicit for employment, or recommend for employment any person employed by the Company, during the Consulting Period and for a period of ____ () year thereafter.

6. Disclosure

Inventor agrees to maintain adequate and current written records on the development of all Invention Ideas and shall disclose these to Company.

7. Exclusions

Company acknowledges that there are ideas, processes, trademarks, service marks, technology, computer programs, original works of authorship, designs, formulas, inventions, discoveries, patents, copyrights, or improvements to the foregoing produced within the scope of Inventor's employer-employee relationship with [pre-existing employer]. These items are not subject to the terms of this agreement.

8. Assignment; Successors and Assigns

Inventor agrees that it will not assign, sell, transfer, delegate or otherwise dispose of any rights or obligations under this Agreement. Any purported assignment, transfer, or delegation shall be null and void. Nothing in this Agreement shall prevent the consolidation of the Company with, or its merger into, any other corporation, or the sale by the Company of all or substantially all of its properties or assets, or the assignment by the Company of this Agreement and the performance of its obligations hereunder to any successor in interest or any Affiliated Company. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, legal representatives, successors, and permitted assigns, and shall not benefit any person or entity other than those enumerated above.

9. Notices

All notices or other communications required or permitted hereunder shall be made in writing and shall be deemed to have been duly given if delivered by hand or mailed, postage prepaid, by certified or registered mail, return receipt requested, and addressed to the Company at:

[Company's name and address]

or to the Inventor at:

[Inventor's name and address]

Notice of change of address shall be effective only when done in writing and sent in accordance with the provisions of this Section.

10. Amendments; Waivers

This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by a duly authorized representative of the Company and the Inventor. By an instrument in writing similarly executed, either party may waive compliance by the other party with any provision of this Agreement that such other party was or is obligated to comply with or perform, provided, however, that such waiver shall not operate as a waiver of, or estoppels with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or power hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, or power provided herein or by law or in equity.

11. Interruption of Service:

Either party shall be excused from any delay or failure in performance required hereunder if caused by reason of any occurrence or contingency beyond its reasonable control, including, but not limited to, acts of God, acts of war, fire, insurrection, laws proclamations, edits, ordinances or regulations, strikes, lock-outs or other serious labor disputes, riots, earthquakes, floods, explosions or other acts of nature. The obligations and rights of the party so excused shall be extended on a day-to-day basis for the time period equal to the period of such excusable interruption. When such events have abated, the parties' respective obligations hereunder shall resume. Except for mandatory services set forth in Exhibit 1, in the event the interruption of the excused party's obligations continues for a period in excess of _____ () days, either party shall have the right to terminate this Agreement upon _____ () days' prior written notice to the other party.

12. Severability; Enforcement

If any provision of this Agreement, or the application thereof to any person, place, or circumstance, shall be held by a court of competent jurisdiction to be invalid, unenforceable, or void, the remainder of this Agreement and such provisions as applied to other persons, places, and circumstances shall remain in full force and effect.

13. Rules of Construction

The language in all parts of this Agreement shall in all cases be construed as a whole, according to its fair meaning. Section headings in this Agreement are for convenience only and are not to be construed as a part of this Agreement or in any way limiting or amplifying the provisions hereof. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identifications of the person or persons, firm or firms, corporation or corporations may require.

14. Governing Law

The validity, interpretation, enforceability, and performance of this Agreement shall be governed by and construed in accordance with the law of the State of _____.

15. Independent Contractor

The Inventor shall operate at all times as an independent contractor of the Company. This Agreement does not authorize the Inventor to act for the Company as its agent or to make commitments on behalf of the Company. The Company shall not withhold payroll taxes, and neither Inventor shall not be covered by health, life, disability, or worker’s compensation insurance of the Company.

16. Ability to Enter Into Agreement

Each party represents and warrants to the other party that this Agreement has been duly authorized, executed and delivered and that the performance of its obligations under this Agreement does not conflict with any order, law, rule or regulation or any agreement or understanding by which such party is bound.

17. Entire Agreement

The terms of this Agreement are intended by the parties to be in the final expression of their agreement with respect to the retention of Inventor by the Company and may not be contradicted by evidence of any prior or contemporaneous agreement.

The parties have duly executed this Agreement as of the date first written above.

INVENTOR

COMPANY

By: _____

EXHIBIT A

- 1. Services to be provided**
- 2. Term of Agreement**
- 3. Reimbursement**

EXHIBIT B
Patent Acknowledgment Form

This acknowledgment is made by me to The Regents of the [pre-existing employer], a corporation, hereinafter called "Employer," in part consideration of my employment, and of wages and/or salary to be paid to me during any period of my employment, by Employer, and/or my utilization of Employer research facilities and/or my receipt of gift, grant, or contract research funds through the Employer.

By execution of this acknowledgment, I understand that I am not waiving any rights to a percentage of royalty payments received by Employer, as set forth in the _____ Patent Policy, hereinafter called "Policy."

I also understand and acknowledge that the Employer has the right to change the Policy from time to time, including the percentage of net royalties paid to inventors, and that the policy in effect at the time an invention is disclosed shall govern the Employer's disposition of royalties, if any, from that invention. Further, I acknowledge that the percentage of net royalties paid to inventors is derived only from consideration in the form of money or equity received under: 1) a license or bailment agreement for licensed rights, or 2) an option or letter agreement leading to a license or bailment agreement. I also acknowledge that the percentage of net royalties paid to inventors is not derived from research funds or from any other consideration of any kind received by the Employer. _____ governs the treatment of equity received in consideration for a license.

I acknowledge my obligation to assign inventions and patents that I conceive or develop while employed by Employer or during the course of my utilization of any Employer research facilities or any connection with my use of gift, grant, or contract research funds received through the Employer. I further acknowledge my obligation to promptly report and fully disclose the conception and/or reduction to practice of potentially patentable inventions to the Office of Technology Transfer or authorized licensing office. Such inventions shall be examined by Employer to determine rights and equities therein in accordance with the Policy. I shall promptly furnish Employer with complete information with respect to each. In the event any such invention shall be deemed by Employer to be patentable or protectable by an analogous property right, and Employer desires, pursuant to determination by Employer as to its rights and equities therein, to seek patent or analogous protection thereon, I shall execute any documents and do all things necessary, at Employer's expense, to assign to Employer all rights, title, and interest therein and to assist Employer in securing patent or analogous protection thereon.

I acknowledge that I am bound to do all things necessary to enable Employer to

perform its obligations to grantors of funds for research or contracting agencies as said obligations have been undertaken by Employer.

Employer may relinquish to me all or a part of its right to any such invention, if, in its judgment, the criteria set forth in the Policy have been met.

I acknowledge that I am bound during any periods of employment by Employer or for any period during which I conceive or develop any invention during the course of my utilization of any Employer research facilities, or any gift, grant, or contract research funds received through the Employer.

In signing this agreement I understand that the law, of which notification is given below, applies to me, and that I am still required to disclose all my inventions to the Employer.

NOTICE

In any suit or action arising under this law, the burden of proof shall be on the individual claiming the benefits of its provisions.

Inventor: _____

Witness:

Signature: _____

Date: _____