Innovation Agreement

This Agreement is entered into, by and between,

1. KAIMRC, and

2. .............................................................................................................. (hereinafter called the “Inventor(s)”)(collectively “Parties”), who is disclosing an “Invention” ("Invention" includes all any ideas, designs, concepts, techniques, discoveries or improvements, whether or not patentable, conceived or reduced to practice related to the subject disclosed by Inventor(s) on the KAIMRC Invention Disclosure Form.)

3. invention title “..............................................................................................................”

RECATALS:

• Inventor(s) has/have one or more inventions that he/she would like to commercialize.

• KAIMRC has expertise to review, analyze, evaluate, design, register, develop, improve, and commercialize inventions in the biomedical field.

• If KAIMRC selects the Invention, Parties will cooperate and make reasonable efforts to commercialize the Invention.

I. SELECTION

1. Inventor(s) agrees to submit the KAIMRC Invention Disclosure Form simultaneously with this Agreement. The KAIMRC Invention Disclosure Form fully describes the Invention submitted by Inventor(s) to KAIMRC for review.

2. After reviewing KAIMRC’s Invention Disclosure Form, KAIMRC shall choose to accept or reject Inventor(s)’s proposed Invention. If KAIMRC accepts the Invention, KAIMRC will make reasonable efforts to review, develop, protect, and commercialize the Invention. If KAIMRC rejects the Invention, KAIMRC releases all claims and rights to the Invention and its Intellectual Property.

II. CONFIDENTIALITY

1. “Confidential Information” means all the trade secrets, business and financial information, business methods, procedures, know-how, and other information of every kind that relates to the invention or business of either party and is clearly identified as confidential, or disclosed in circumstances that would lead a reasonable person to believe such information is confidential.

2. Either party may disclose Confidential Information to the other in connection with this Agreement. The recipient of such information will use it only for the purposes of this Agreement.

3. Confidential Information shall not be disclosed, copied, reproduced or otherwise made
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available to any other person or entity without the consent of the owning Party. Each Party agrees to use its best efforts to protect Confidential Information.

III. TERM AND TERMINATION

1. The term of this Agreement shall be for (20) twenty years starting from the date of the last signature on this Agreement.

2. KAIMRC reserves the right to unilaterally terminate this Agreement for any reason.

3. In the event that KAIMRC terminates this Agreement prior to the expiration of the twenty year term provided in Paragraph III.(1.) above, then KAIMRC promptly shall assign back to Inventor(s) all right, title, and interest in the Invention and Intellectual Property which Inventor(s) previously had assigned to KAIMRC pursuant to this Innovation Agreement.

4. Inventor(s) shall not have the unilateral right to terminate this Agreement under any circumstances, including a material breach by KAIMRC.

5. In case of more than one inventor for the same invention, the “primary” inventor shall represent all inventors and shall be the single point of contact with ITTMO in all communications of any form.

6. Inventor(s) should deliver the requirements (for example but not limited to innovation technical details, related prior arts, drawings, response to office action, attend conference call, etc.) asked by attorney at a timely manner throughout the filing process. If the innovator fails to meet the proposed response deadline by two weeks, ITTMO has the right to withdraw the patent application without prior notice and the Inventor(s) must reimburse KAIMRC for the all expenses occurred up to the withdrawing date.

IV. INTELLECTUAL PROPERTY & ASSIGNMENT OF INVENTION

1. “Intellectual Property” includes the Invention and all improvements to the Invention, all patent applications filed thereon and all patents issuing thereon, and all rights in trade secrets, copyrights and trademarks, related thereto.

2. If KAIMRC chooses to accept the Invention under Section I of this Agreement, then Innovator shall promptly assign to KAIMRC all right, title, and interest in the Intellectual Property associated with the Invention. If KAIMRC fully complies with all of its obligations for the full twenty (20) years of the term of this Agreement provided in Section III, and if KAIMRC makes reasonable efforts throughout that twenty-year term to maximize the commercial potential of the Invention and to bring in revenues from such commercialization that are shared with Inventor(s) as provided in Section V (5.), then such assignment shall continue to be effective beyond the said twenty-year term and at that point shall be irrevocable.
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3. Inventor(s) does not, however, transfer title to, or grant any rights or interests in, any tangible articles of the Intellectual Property. Tangible articles include, but are not limited to, physical manifestations of the Invention used for testing, demonstration, or experimentation.

4. Inventor(s) agrees to comply with every reasonable request by KAIMRC, its designee, or representative for assistance in obtaining and enforcing patent protection or other intellectual property protection pertaining to discoveries, improvements, and inventions.

5. Inventor(s) shall not publish or submit any news releases, public announcements, formal publications, or publicity of any form without the prior approval of KAIMRC. KAIMRC will grant permission to publish information concerning the Invention only at such time as it may be accomplished without compromising the commercialization strategy or legal rights in the Intellectual Property.

6. Any breach by the Inventor(s) of any obligation under Article VI is a material breach of the entire Agreement.

V. COMMERCIALIZATION

1. KAIMRC shall send Annual Reports to Inventor(s) for approval or rejection. Annual Reports must describe all expenses and the amount and source of all revenues and royalties.

2. If KAIMRC receives Inventor(s)’s approval, KAIMRC shall submit to the Inventor(s) his/her share of the revenues and royalties within (60) sixty days.

3. Inventor(s) may only reject the Annual Reports if he/she believes the Annual Report to include specific errors. If Inventor(s) rejects the Annual Reports, the Inventor(s) must explain the rejection and identify specific passages for correction. KAIMRC will make reasonable efforts to address Inventor(s)’s concerns and then resubmit the Annual Report to the Inventor(s) for approval or rejection within (60) sixty days.

4. Royalty distribution shall be in accordance to APP 1436-04, article 6.3.4 as stated below:

   4.1 Tier 1: Of the first SR. 300,000 in net royalties:
       50% to the inventor(s)  
       50% allocated to the general support of KAIMRC research

   4.2 Tier 2: Of the next portion of net royalties exceeding SR 300,000, but not more than SR 600,000:
       40% to the inventor(s)
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60% allocated to the general support of KAIMRC research

4.3 Tier 3: Of the remaining portion of net royalties exceeding SR 600,000:
30% to the inventor(s)
70% allocated to the general support of KAIMRC research

5. KAIMRC and Inventor(s) may negotiate a subsequent and separate agreement to share revenues and royalties. The future agreement will take priority.

6. Any breach by the Inventor(s) of any obligation under Article V is a material breach of the entire Agreement.

VI. Warranties

1. THE INVENTOR(S) REPRESENTS AND WARRANTS TO KAIMRC AND ANY AFFILIATE THAT:

   a. INVENTOR(S) IS THE SOLE OWNER OF ALL RIGHTS, INTERESTS, AND TITLE IN THE INVENTION AND ALL INTELLECTUAL PROPERTY THAT IS INCORPORATED THEREIN, EMBODIED THEREIN, OR OTHERWISE DIRECTLY RELATED TO THE INVENTION;

   b. INVENTOR(S) HAS THE RIGHT AND ABILITY TO ENTER INTO THIS AGREEMENT

   c. DURING THE TERM OF THIS AGREEMENT, INVENTOR(S) SHALL NOT SELL, HYPOTHECATE, ASSIGN, PLEDGE, TRANSFER, GRANT, OR OTHERWISE ENCUMBER ANY INTEREST IN THE INVENTOR(S) OR ITS INTELLECTUAL PROPERTY

   d. INVENTOR(S) HAS NO SPECIFIC KNOWLEDGE OF ANY INTELLECTUAL PROPERTY, INCLUDING ANY PATENT, THAT WOULD BE INFRINGED BY A PROTOTYPE OR COMMERCIAL SAMPLE OF THE INVENTION REPRESENTED BY INVENTOR(S)

   e. ALL STATEMENTS, DISCLOSURES, AND REPRESENTATIONS MADE BY INVENTOR(S), WHETHER WRITTEN OR ORAL, ARE TRUE, ACCURATE, COMPLETE, AND NOT MISCHARACTERIZED

2. Any breach by the Inventor of any warranty listed under Article VI is a material breach of the entire Agreement.

VII. LIMITATIONS ON LIABILITY & INDEMNITY

1. In no event will KAIMRC be liable to Inventor(s) for any incidental, indirect,
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consequential, special or punitive damages.

2. The Inventor(s) will defend, or, at KAIMRC's option, cooperate in the defense of KAIMRC, and hold KAIMRC and KAIMRC personnel and consultants harmless from any resultant losses, liabilities, damages, costs, and expenses (including legal fees) resulting from any claims that arise or are alleged to have arisen as a result of:

   a. Negligent or intentional acts or omissions of the Inventor(s) or his/her agents or employees;

   b. Non-compliance by the Inventor(s) or his agents or employees of any provision in this Agreement; or

   c. Claims of infringement or misappropriation of the Intellectual Property rights of a third party.

3. Inventor(s)'s sole remedy for any material breach of this Agreement shall be limited to monetary damages that directly result from KAIMRC's breach.

4. KAIMRC's remedy for any material breach of this Agreement by Inventor(s) may include monetary damages and specific performance.

VIII. General Provisions

1. The laws of the Kingdom of Saudi Arabia govern this Agreement.

2. In case of a dispute between KAIMRC and Inventor(s) regarding the interpretation or execution of this Agreement, both Parties shall have recourse to amicable settlement in order to settle such dispute in good faith. Failing to resolve such dispute by the stated way of settlement, Parties must exclusively refer the same to the Chambers of Grievances in the Kingdom and the decision of these Chambers shall be final.

3. Neither party shall assign its rights or duties under the Agreement in whole or part without prior written approval of the other party.

4. This Agreement contains the complete and final agreement between KAIMRC and the Inventor(s). No representation, promise or condition in connection with this Agreement shall be binding upon either party unless expressed herein. This Agreement supersedes and voids any prior or collateral understanding between KAIMRC and Inventor(s).

5. If any term in this Agreement is found by competent judicial authority to be unenforceable in any respect, the validity of the remainder of this Agreement will be unaffected, provided that such unenforceability does not materially affect the Parties' rights under this Agreement.

6. This Agreement may only be amended by a writing specifically referencing this Agreement. Authorized representatives of the Parties must sign the amendment. Any copy of this Agreement made by reliable means (for example, photocopy or facsimile) is
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considered an original.

7. Headings used in this Agreement are for the purpose of ease of reference or reading only and shall not affect its construction.

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<td><strong>Name:</strong> Dr. Ali Almuntashri</td>
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