General License Agreement Terms

The University is committed to working with industry to deliver societal benefits through the development of new technologies, products, and services. However, during licence negotiation with the University, industry partners should keep in mind that universities have different commercialisation drivers and constraints to industry. Licences with the University of Melbourne, as with other universities, generally cover the areas outlined below.

Licensing the Technology
- Grant of exclusive or non-exclusive licensing rights
- Field and scope of use (application and limitation of rights)
- Territory (e.g. Australia or international)
- Sublicensing rights (referring to the licencsee’s ability to sub-licence its rights to the technology granted under its licence with the University)
- The University reserves the right to use the technology for its research and academic purposes

Consideration
- Licence fees
- Equity (for start-up organisations)
- Royalty on sales of product or provision of service by licencsee and its sub-licencsee
- Percentage of non-sales based sub-licence income (such as sub-licence fees)
- Minimum royalties or annual maintenance fees
- Milestone/diligence payments

Patent prosecution and payment
The University oversees patent prosecution and generally consults with the licencsee on decisions regarding the prosecution strategy or where the patent application should be filed (i.e. in Australia and/or internationally). Typically, under an exclusive licence, the licencsee will be responsible for reimbursing the University for all costs relating to preparing, filing, prosecuting and maintaining the licenced patents.

Reporting requirements
Licences have an obligation to submit to the University either quarterly or annual reports, which includes information such as:
- Royalties due
- Sub-licence agreements and payments
- Other revenues
- Key activities undertaken in the immediately preceding period in connection with the licenced technology.
General License Agreement Terms (continued)

Diligence terms
The licencsee will need to meet certain diligence milestones that if unmet may result in termination of the licence. These requirements are there to ensure that the technology is actively developed and commercialised. Sometimes performance terms include financing milestones (more common with start-ups), technical milestones, regulatory approvals, first prototype or commercial sale, or issuing the first patent.

Sub-licence provisions
Exclusive licences usually permit the licencsee to sub-license its rights to the technology granted under the licence with the University to third parties. All such sub-licence agreements must include the same key terms found in the original licence, including:

- Warranty disclaimers
- Indemnification of the University
- Maintaining the University’s right to use the licenced technology for its research and academic purposes
- Requirement that sub-licencee obtains Product liability insurance
- Confidentiality
- Termination

Term and Termination
The University will usually grant a licence for a defined period of time, which may be extended further with the University’s written consent. The University will otherwise be entitled to terminate the licence in certain instances, such as where the licencsee has failed to meet its diligence milestones, or has materially or repeatedly breached the licence agreement.

No warranties; limitation of liability
The University will not guarantee the capability and/or merchantability of any licenced technology or the validity of patent rights, and will not accept any responsibility or liability for any indirect or economic loss suffered by any party in connection with the licence. The licencsee assumes all risk and liability associated with the licenced technology and the commercialisation activities it undertakes in connection with it.

Indemnification
The licencsee will indemnify the university, its employees, regents, trustees, etc. against all claims, proceedings, demands and liabilities of any kind whatsoever. The University may also require that the licencsee obtain and maintain certain amounts of public and product liability insurance as a condition of its grant of the licence.

Other requirements
Various other terms generally found in licencing agreements include:

- Provisions for resolving any dispute that may arise between the University and the connection with the licence granted
- Provisions for Victorian law governing the agreement and compliance with all applicable laws and regulations
- Prohibiting the use of the University’s name in any publicity or advertising without the University’s prior written consent
- Provision against assigning or varying a licence without prior written consent
- Provisions for force majeure
- Provisions against an agency relationship

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