

CPES Industry Consortium Principal Plus Member Agreement

The purpose of this Agreement is to establish close cooperation and information/technology transfer between _____ (hereinafter MEMBER) and the Center for Power Electronics Systems (hereinafter CPES) at Virginia Polytechnic Institute and State University (Virginia Tech), a non-profit educational institution and state agency of the Commonwealth of Virginia (hereinafter "UNIVERSITY"). Under the terms of this Agreement, MEMBER joins the CPES Industry Consortium as **Principal Plus Member**. This agreement is made as of _____ (hereinafter "Effective Date").

ARTICLE 1 - DEFINITIONS

As used herein, the following terms shall have the following meanings:

- 1.1 **"Affiliate"** means, with respect to any CPES Industry Consortium member, any parent company and any company at least fifty percent (50%) of whose stock, having the right to vote for or appoint directors, is, now or hereafter, owned or controlled directly or indirectly through one or more intermediaries by the CPES Industry Consortium member or a parent company of the CPES Industry Consortium member.
- 1.2 **"CPES Program"** is the set of activities and objectives described in the Strategic Plan for the Center for Power Electronics Systems (CPES) and those activities established in collaboration with the CPES advisory boards, and under the direction of CPES Director.
- 1.3 **"CPES Principal Member"** shall mean those CPES Industry Consortium members who have paid thirty-thousand (\$30,000) dollars in annual fees.
- 1.4 **"CPES Principal Plus Member"** shall mean those CPES Principal members who have paid an additional annual fee of \$20,000 above their regular membership for a total annual contribution of \$50,000.
- 1.5 **"CPES Associate Member"** shall mean those CPES Industry Consortium members who have paid the CPES annual membership fee of \$15,000.
- 1.6 **"CPES Full Member"** shall mean CPES Principal Members, Principal Plus Members, and Associate Members.
- 1.7 **"CPES Affiliate Member"** shall mean those CPES Industry Consortium members whose membership contribution is either less than \$10,000 in cash or in the form of in-kind contributions.
- 1.8 **"CPES Core Research"** is the research conducted within the CPES Program which is sponsored by the CPES Industry Consortium membership fees.
- 1.9 **"CPES Intellectual Property Protection Fund (IPPF)"** is the agreement between Virginia Tech Intellectual Properties, Inc. and CPES Principal Members and Principal Plus Member that establishes a fund used to protect certain Virginia Tech intellectual properties generated under the CPES Core Research program.
- 1.10 **"CPES Non-Core Research"** is the research that is not directly supported by the CPES Industry Consortium membership fees. The research is relevant to the CPES Strategic Plan. The work may be sponsored by UNIVERSITY, industries, or government agencies, with projects directly funded to CPES. CPES Non-Core Research will be regulated by separate contracts and administered through UNIVERSITY'S Office of Sponsored Programs. This Agreement does not pertain to the CPES Non-Core Research.
- 1.11 **"Industry Advisory Board" or "IAB"** means the group which is composed of one representative for each CPES Principal Member or Principal Plus Member and a number of representatives elected among the Associate Members. The number of representatives for Associate Members will be equal to 20% of the total number of Associate Members, or the total number of Principal/Principal Plus members minus one (1), whichever is smaller. Each representative will have one vote. Each elected representative will serve a two-year term.
- 1.12 **"IPPF SPONSOR"** means a CPES Principal Member or Principal Plus Member

- 1.13 **“IPPF Council”** is the committee established under the IPPF to review and recommend intellectual properties to be protected with funds from the IPPF.
- 1.14 **“Licensed Products”** shall be those materials which, in the course of manufacture, use, or sale would, in the absence of a license, infringe one or more claims on Subject Property Rights which have not been held invalid by a court from which no appeal may be taken.
- 1.15 **“Subject Property Rights”** shall be those patents or copyrights in the respective inventions or works of authorship which result from the CPES Core Research program and which are conceived or made by one or more employees of UNIVERSITY, with or without joint effort by other parties, in performance of the CPES Core Research, regardless of where the invention is discovered or reduced to practice. UNIVERSITY shall assign its ownership interests in Subject Property Rights to VTIP.
- 1.16 **“Technology Transfer Activities”** consist of activities that promote the use of technology derived from the CPES Core Research program. These activities include university and industry demonstrative **hardware prototypes** (instead of testbed programs); publications; conferences; seminars; workshops; short courses; technology transfer networks; development of undergraduate, graduate, and continuing education training programs. These activities may also include joint projects with industry, as well as other activities conducted as CPES Non-Core Research as deemed appropriate.
- 1.17 **“Virginia Tech Intellectual Properties, Inc.” or “VTIP”** means the non-profit organization that manages intellectual properties generated by Virginia Tech.

ARTICLE 2 - CPES RESEARCH AND TECHNOLOGY TRANSFER ADMINISTRATION

- 2.1 UNIVERSITY shall use its best efforts to organize, direct, and administer the CPES Program in accordance with the terms and conditions of this Agreement. UNIVERSITY shall include the terms of this Agreement in any subcontracts for research to be conducted under the auspices of CPES Core Research.
- 2.2 The CPES Director will manage the overall activities of CPES; will work with the IAB to develop strategic plans and to formulate the CPES Core Research program; will establish the operating and research budget of CPES Core Research with the advice of the IAB; and will direct the CPES Industrial Collaboration program.
- 2.3 The CPES Director will appoint the Industrial Collaboration Program Director who will manage the day-to-day Technology Transfer Activities; will assist the CPES Director and Chair-IAB in coordinating the work of IAB; will establish the operating budget for the Technology Transfer Activities; and will administer and promote the CPES Industry Consortium.
- 2.4 The IAB shall meet at least annually to review and make recommendations on all aspects of the CPES Program.

ARTICLE 3 - MEMBER BENEFITS

- 3.1 Reports, papers, theses, and dissertations produced as the result of CPES Core Research program will be made available free of charge to all CPES Industry Full Members in a timely manner via the CPES password-protected website.
- 3.2 CPES will organize an annual conference to present previous year’s research results. Conference registration will be free for CPES Industry Consortium Members.
- 3.3 A portion of each IPPF SPONSOR’s annual membership fee will be designated to the IPPF. In the case of Principal Plus Members, up to \$2,500 of the \$50K annual membership fee may be designated to the IPPF. In the case of Principal Members, up to \$5,000 of the \$30K annual membership fee may be designated to the IPPF. The CPES Director, considering the number of intellectual properties and anticipated patent costs, shall have sole discretion as to the amount of the member fees within these aforesaid ranges that are apportioned to the IPPF.
- 3.4 IPPF SPONSORS will have specific intellectual property rights as described in Article 5 of this Agreement after entering into the Agreement for the CPES Intellectual Property Protection Fund (IPPF), Attachment A. The IPPF SPONSOR will enter into this Agreement with VTIP.

- 3.5 Full Members will have access to and participation in all CPES Education, Industrial Collaboration, and Outreach programs, which includes Industrial Residence, Industrial Fellowships, Summer Internships, Graduate Co-op, Faculty Research Leave, short courses, annual conferences, and other distance learning opportunities. They may participate in CPES Professional short courses at a significant discount.
- 3.6 Representatives of UNIVERSITY may meet with representatives of the CPES Full Members at times and places mutually agreed upon to discuss the progress and results, as well as ongoing plans, or changes therein, of the CPES Program. CPES Director and the Industrial Collaboration Program Director will assist in these communications and undertake such other duties in consultation with the IAB.
- 3.7 CPES Full Members will have direct and continuous links with CPES faculty and their well-trained graduate and undergraduate students for future employment.
- 3.8 IPPF SPONSORS shall have access to potentially patentable early-stage power electronics concepts and other confidential research information prior to public disclosure to others at CPES meetings or in publications, to better enable such members to do early product planning and guide internal research direction in an effective manner. IPPF SPONSORS are also entitled to attend confidential briefings that may be scheduled from time to time as part of CPES meetings or as special events.
- 3.9 Each CPES Principal Plus Member has the option to suggest its membership fees be directed to support specific CPES research areas.

ARTICLE 4 - INTELLECTUAL PROPERTY

- 4.1 MEMBER recognizes that publication is a necessary and integral part of UNIVERSITY'S research policy. Researchers engaged in the CPES Program shall be permitted to present the methods and results of the CPES Core Research program at symposia, national or regional professional meetings, and in journals, theses and dissertations.
- 4.2 Ownership of the Subject Property Rights, namely inventions and/or copyrights which are created in the course of and funded by the CPES membership fees, will vest in the party whose personnel authored, created, conceived or first actually reduced the subject matter to practice. Inventorship will be determined in accordance with applicable U.S. patent laws. Where there is joint inventorship, the inventions will be jointly owned. Rights to inventions, improvements, and discoveries, whether or not patentable or copyrightable, relating to the CPES Core Research made solely by employees of MEMBER shall belong to MEMBER. Such inventions, improvements, and discoveries shall not be subject to the terms and conditions of this Agreement.
- 4.3 UNIVERSITY shall promptly notify IPPF SPONSORS of any disclosures related to Subject Property Rights arising from the CPES Core Research. IPPF SPONSORS will be provided with a confidential disclosure of such Subject Property Rights and any such confidential disclosures will be treated in accordance with the confidentiality provisions of Section 4.4 below.
- 4.4 IPPF SPONSORS may have access to very early-stage confidential information not available to other member categories. Any reports, information, materials, or portions of the same that are provided by UNIVERSITY and marked "confidential" (or if it is verbally disclosed as confidential and is confirmed in writing within two (2) weeks of disclosure by UNIVERSITY) must not be transferred or disclosed to others outside the receiving party. If more than three years have elapsed since an item marked "confidential" was received, or if all of the information contained in such an item is publicly disclosed through no fault of the receiving party, the receiving party will not need to continue to hold such item confidential. No computer code or associated documentation may be copied, disclosed, or transferred to others outside the receiving party, nor derivative works produced, except as expressly allowed by the UNIVERSITY. In general, only those individuals within the receiving party who have a bonafide need-to-know may have access to the above-mentioned items, and then only on a confidential basis. Confidential information shall not include information that is or becomes publicly known, is received from a third party as a matter of right, is developed independently without benefit of the confidential information, or any information that the receiving party can show by written record that it possessed prior to its receipt from the other party.
- 4.5 The IPPF fund will be used solely by VTIP to protect CPES intellectual properties generated under the CPES core research program and, so long as IPPF funding is provided, VTIP will manage the preparation, filing, prosecution, and maintenance of any and all patent applications and patents related to the invention

disclosures selected by the IPPF Council. IPPF Council members shall consist of the CPES Director, VTIP designated representative, a representative of IPPF SPONSORS (at the option of each IPPF SPONSOR) and other key CPES-VT faculty members if necessary. The IPPF Council will meet on a quarterly basis via teleconference and will review all the disclosures generated under the CPES core research during the previous quarter or still undecided from earlier quarters. CPES disclosures will be recommended for protection based upon a majority vote of the IPPF Council. The Center Director shall have sole discretion to determine the disclosures to be protected, based upon IPPF funding available and the Council's recommendations.

ARTICLE 5 - GRANT OF RIGHTS

- 5.1 **Rights to Intellectual Properties.** IPPF SPONSORS have rights as identified in this Article to Subject Property Rights generated during their membership period.
- 5.2 **Noncommercial License.** All IPPF SPONSORS will have a non-exclusive, royalty-free, non-transferable (except to a successor of such IPPF SPONSOR's business and assets relating to the subject of this Agreement) license to non-commercially use the products or processes which are protected by Subject Property Rights.
- 5.3 **IPPF License.** For those Subject Property Rights protected by the IPPF, all IPPF SPONSORS who have signed the IPPF agreement with VTIP (Attachment A) shall have a non-exclusive, non-transferable, royalty-free license to make, use, sell, or have made the Licensed Products.
- 5.4 **Non-IPPF License Option.** For those Subject Property Rights not protected by the IPPF, each IPPF SPONSOR who has signed the IPPF agreement with VTIP (Attachment A) will have an option to obtain a nonexclusive, royalty-free, nontransferable license to make, use, sell, or have made (without sublicensing) the Licensed Products. All IPPF SPONSORS will have two (2) months after a negative decision by the IPPF Council to notify VTIP of their interest in exercising their option for this license. By exercising their option, they will be agreeing to pay patenting costs, equally sharing them with all other IPPF SPONSORS who have exercised their option on that disclosure.
- 5.5 If a license is provided to an IPPF Sponsor under either 5.3 or 5.4, VTIP will not issue or start negotiating licenses to the Subject Property Rights with any other entity for a period of two years from the date the invention disclosure is reviewed by the IPPF Council, except as allowed under Paragraph 5.6.
- 5.6 IPPF SPONSORS shall always have an option to receive a license to a technology offered to them under the provisions of Section 5.3 and 5.4 above. However, if such member does not exercise its option within the option period defined in Section 5.4, it will need to negotiate a separate license from VTIP including a negotiated license fee and a reasonable royalty.
- 5.7 If an IPPF SPONSOR terminates its membership, then it may continue its protection and retain any license rights granted under 5.3 or 5.4, provided it continues to provide an annual fee of one thousand dollars (\$1,000) to the IPPF fund.

ARTICLE 6 - COSTS AND BILLINGS

- 6.1 The annual fee for CPES Principal Plus Members is fifty thousand dollars (\$50,000) and shall be considered unrestricted cash.
- 6.2 UNIVERSITY shall submit an initial invoice to the MEMBER for the payment of the first year annual fee within thirty (30) days after this Agreement becomes effective. For the subsequent years, UNIVERSITY shall provide the MEMBER with an invoice sixty (60) days prior to the Agreement anniversary date. Invoices will be due and payable thirty (30) days after the MEMBER's receipt thereof.
- 6.3 The CPES Finance Director shall maintain all membership fees in a separate account and shall expend such funds for IPPF fees, wages, supplies, equipment, travel, and other operating expenses in connection with the Center's program. The title to all equipment purchased for the CPES Program, or equipment provided as part of in-kind contributions, shall reside with UNIVERSITY.

ARTICLE 7 - TERM AND TERMINATION

- 7.1 The term of this Agreement shall begin on the Effective Date, as specified in the first paragraph of this Agreement, shall run for a period of one year, and shall automatically renew for additional one-year terms until such time as MEMBER cancels its membership in accordance with Section 7.2.
- 7.2 As a reminder, CPES will send renewal invoices to MEMBER at least two months prior to each anniversary of the membership period listed in the first paragraph of this Agreement. MEMBER may withdraw from the CPES Industry Consortium at any time prior to the end of the current term by giving UNIVERSITY written notice to that effect at least two months prior to the end of the current term. In that case, MEMBER will not be obligated to make membership fee payments for the following years.
- 7.3 In the event that any party commits a material breach or default in any of the terms or conditions of this Agreement, and that party fails to remedy that default or breach within sixty (60) days after receipt of notice from another party, the party giving notice may, at its option terminate the Agreement effective within another sixty (60)-day period. The provisions of Sections 4.2 and 4.4, and Articles 5, 8, and 9 of this Agreement will survive any withdrawal for cause, but only with respect to portions of the CPES Program results completed prior to the withdrawal.
- 7.4 In any event, early withdrawal will not entitle the MEMBER for refund on a pro-rata basis, unless the CPES Program is terminated at which time all memberships will terminate.
- 7.5 The provisions of Sections 4.2, and 4.4, and Articles 5, 8, and 9 of this Agreement will survive any termination, but only with respect to portions of the CPES Program results completed prior to the termination.

ARTICLE 8 - RELATIONSHIP OF PARTIES

- 8.1 Neither party shall have the authority to make any statements, representations or commitments of any kind, or to take any action which shall be binding on the other party, except as may be explicitly provided for herein or authorized in writing. Neither party shall use any other party's name in any advertising promotional or sales literature without the prior written consent of the party whose name is used.
- 8.2 Nothing contained in this Agreement shall be construed as establishing, nor is it any party's intent to establish, a partnership or any joint obligations between UNIVERSITY and MEMBER. Each party hereto retains the right to conduct its own business as it sees fit. Further, nothing contained herein shall be interpreted or construed as precluding the MEMBER from carrying out its own independent research directed towards the objectives of the CPES Program, and no other CPES Member shall have any rights whatsoever with respect to the results thereof.

ARTICLE 9 - WARRANTY AND LIABILITY

- 9.1 UNIVERSITY warrants and represents that UNIVERSITY has adequate liability self-insurance, such protection being applicable to officers, employees, and agents while acting within the scope of their employment by UNIVERSITY. UNIVERSITY has no liability insurance policy as such that can extend protection to any other person.
- 9.2 Each party hereby assumes any and all risks of personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees, and agents thereof.
- 9.3 UNIVERSITY warrants that it has the rights to perform the CPES Program.
- 9.4 MEMBER acknowledges that the CPES Program results will be provided to MEMBER on an "AS IS" basis for use by MEMBER, its Affiliates, and any third party to which MEMBER or its Affiliates may extend the right to use the CPES Program results at MEMBER's sole risk and responsibility. Further, MEMBER hereby agrees to defend, indemnify, and hold UNIVERSITY harmless against all claims, demands, losses, damages, causes of action, and other liabilities of every kind (whether based in contract, tort, or other legal theory) by all parties for personal injury, death, or property damage or loss which arises out of or results from any use of the CPES Program results by MEMBER or its Affiliates, or any third party to which MEMBER or its Affiliates may extend the right to use the CPES Program results. Notwithstanding the above, in no event shall MEMBER be liable to UNIVERSITY or any third party for any indirect, special, incidental, or consequential damages, including, without limitation, lost profits,

arising out of or in relation to the Agreement, regardless of the form of action, whether in contract, tort, or otherwise.

ARTICLE 10 - MISCELLANEOUS

- 10.1 To the extent this Agreement is covered by Executive Order 11246, as amended, and its implementing regulations, the Equal Opportunity Clause set forth in Section 202 of such Order is hereby incorporated by reference.
- 10.2 This Agreement may be assigned by either party to any of its Affiliates or to a successor to the Member, but may not otherwise be assigned without the party's prior written consent which will not be unreasonably withheld.
- 10.3 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition or any other term or condition by the other party.
- 10.4 Each clause of this Agreement is a distinct and severable clause, and if any clause is deemed illegal, void or unenforceable, the validity, legality or enforceability of any other clause or portion of this Agreement will not be affected thereby.
- 10.5 This Agreement shall be governed by the laws of the Commonwealth of Virginia without regard to Virginia law regarding choice of law or other conflict of laws.
- 10.6 This Agreement sets forth the entire understanding between UNIVERSITY and MEMBER with respect to the CPES Program, and supersedes, cancels, and merges all prior or contemporaneous communications, negotiations, understandings, and agreements relating thereto. No changes, alterations, or modifications to this Agreement will be effective unless in writing and signed by the authorized representatives of each party.
- 10.7 It is understood that all parties are subject to U.S. laws and regulations controlling the export of certain items, commodities, defense articles, Confidential Information, proprietary technical data or source code, collectively hereafter referred to as "Items." Each party is obligated to comply with applicable U.S. export laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979). Prior to providing any Items which are subject to U.S. export laws and regulations, and prior to furnishing any Items where oral instruction or inspection may disclose technical data subject to such export controls, the disclosing party shall notify receiving party's contracting representative in writing of the Items and applicable export controls. Receiving party shall have the right to decline or limit the receipt of such Items, and any research requiring receipt of such Items. The transfer of Items may require a license from the cognizant agency of the U.S. government. The parties agree to cooperate in securing any license which the cognizant agency deems necessary in connection with this Agreement.

In consideration of the foregoing terms and conditions, UNIVERSITY and the MEMBER have executed this Agreement in duplicate, originals of which shall be of equal dignity.

MEMBER

By: _____
Typed Name: _____
Title: _____
Date: _____

CENTER FOR POWER ELECTRONICS SYSTEMS

By: _____
Typed Name: Dushan Boroyevich
Title: Director, Center for Power Electronics Systems
Date: _____

VIRGINIA TECH

By: _____
Typed Name: Julia Ross
Title: Dean, College of Engineering
Date: _____

By: _____
Typed Name: Linda R. Bucy
Title: Assistant VP, Interim Director of Sponsored Programs
Date: _____