

Joint Owners' Agreement

This agreement is made by and between the following parties who, by separate assignment or as joint applicants, own the following respective shares of the invention, patent application or patent identified below:

_____ of _____, _____%,

_____ of _____, _____%,

_____ of _____, _____%,

Invention Title: _____

Patent Application Ser. Nr.: _____, Filed: _____

Patent Nr.: _____, Issued: _____

Applicants: _____

The above patent application data is to be filled in as soon as it becomes available if the application has not yet been filed.

The parties desire to stipulate the terms under which they will exploit this invention and patent application and therefore agree as follows:

- 1. No Action Without Everyone's Consent:** None of the parties to this agreement shall license, use, make, or sell the invention or application, or take any other action, other than normal prosecution, without the written consent and cooperation of the other party or parties (hereinafter "parties") to this agreement, except as provided below. Any action so taken shall be committed to a writing signed by all of the parties, or as many parties as consent, with copies to all other parties.
- 2. Decisions:** In case any decision must be made in connection with the invention or the patent application, including foreign filing, appealing from an adverse decision in the Patent and Trademark Office, or any opportunity to license, sell, make, or use the invention or application, the parties shall consult on such opportunity and a majority decision shall control. In the event the parties are equally divided, the matter shall be decided in accordance with Paragraph 5 below. After a decision is so made, all parties shall abide by the decision and shall cooperate fully by whatever means are necessary to implement and give full force to such decision. However, if an offer is involved and there is time for any parties to obtain a better or different offer, they shall be entitled to do so and the decision shall be postponed for up to one month to allow such other parties to act.
- 3. Proportionate Sharing:** The parties to this agreement shall share, in the percentages indicated above, in all income from, liabilities, and expenditures agreed to be made by any decision under Part 2 above in connection with the invention or patent application. In case a decision is made to make any expenditure, as for foreign patent application filing, exploitation, etc., and a minority or other parties opposes such expenditure or is unable to contribute his or her proportionate share, then the others shall advance the minority or other parties' share of the expenditure. Such others shall be reimbursed by the minority or other parties by double the amount so advanced from the minority or other parties' proportionate share of any income received, provided such income has some reasonable connection with the expenditure. No party shall be

entitled to reimbursement or credit for any labor unless agreed to in advance by all of the parties hereto.

4. **If Any Parties Desire to Manufacture, Etc.:** If any parties who do not constitute all of the parties to this agreement desire to manufacture, distribute, or sell any product or service embodying the above invention, they may do so with the written consent of the other parties under Part 1 above. The cost of the product or service shall include, in addition to normal profit, labor, commission, and/or overhead, etc., provision for a reasonable royalty which shall be paid for the term of the above patent application and any patent which may issue thereon. Such royalty shall be determined before any action is taken under this part and as if a valid patent on the invention had been licensed to an unrelated exclusive licensee (or a nonexclusive licensee if the patent is licensed to others) in an arm's length transaction. Such royalty shall be distributed to all of the parties hereto according to their proportionate shares and on a quarterly basis, accompanied by a written royalty report and sent within one month after the close of each calendar quarter.
5. **In Case of Dispute:** In case any dispute, disagreement, or need for any decision arises out of this agreement or in connection with the invention or patent application, and the parties cannot settle the matter or come to a decision in accordance with Paragraph 2, above, the parties shall first confer as much as necessary to settle the disagreement; all parties shall act and compromise to at least the degree a reasonable person would act. If the parties cannot settle their differences or come to a decision on their own, they shall submit the dispute or matter to mediation and decision by an impartial third party or professional mediator agreed to by all of the parties. If the parties cannot agree on a mediator, or cannot come to an agreement after mediation, then they shall submit the matter to binding arbitration with a mutually acceptable arbitrator or the American Arbitration Association. The arbitrator shall settle the dispute in whatever manner he or she feels will do substantial justice, recognizing the rights of all parties and commercial realities of the marketplace. The parties shall abide by the terms of the arbitrator's decision and shall cooperate fully and do any acts necessary to implement such decision. The costs of the arbitrator shall be advanced by all of the parties or in accordance with Part 3 above and the arbitrator may make any allocation of arbitration costs he or she feels is reasonable.
6. **Non-Frustration:** Neither party to this Agreement shall commit any act or take any action which frustrates or hampers the rights of the other party under this Agreement. Each party shall act in good faith and engage in fair dealing when taking any action under or related to this Agreement.

_____ Signature	_____ Date
_____ Signature	_____ Date
_____ Signature	_____ Date