



Dated: 3 August 2007

Sydnovate Ref: [insert]

ATTN: [insert name of Researcher] (“Researcher”)
[insert name of Head of School] on behalf of the School of [insert name of School]
 (“School”)

Dear [insert names],

This letter agreement sets out the terms on which research funding will be provided to the Researcher by the Sydnovate Fund.

1 Background

The Sydnovate Fund has been established to fund certain research activities within The University of Sydney (“University”) aimed at developing intellectual property (“IP”) which Sydnovate considers to have strong commercialisation potential, in order to enhance the prospect of licensing this IP to commercial partners.

The Researcher has submitted a proposal, attached to this letter agreement as Attachment A (“Research Proposal”), to Sydnovate outlining a technology with strong commercialisation potential (“Technology”), and detailing further research to be undertaken to achieve certain milestones and demonstrate feasibility of the Technology (“Approved Research”).

The Sydnovate Fund has considered the Proposal and agrees to provide the Researcher with [insert x amount] (“Funding”) on the terms and conditions set out in this letter agreement, and in accordance with the Funding Schedule attached to this letter agreement at Attachment B. Any technology, discovery, invention or other IP arising out of or in connection with the Approved Research is considered to be Technology, for the purposes of this letter agreement.

2 Funding terms

The Researcher agrees to use the Funding only to undertake the Approved Research, according to the timeline and budget set out in the Research Proposal. The Researcher also agrees to submit any variation of the Research Proposal to the Sydnovate Fund in writing for prior approval. Variations of the Research Proposal that are approved in writing by the Sydnovate Fund are considered to be part of the Research Proposal, for the purposes of this letter agreement.

The Researcher agrees to use reasonable endeavours to perform the Approved Research at the University and to reach the milestones in accordance with the timetable specified in the Research Proposal. However, the Researcher is permitted to subcontract part of the Approved Research, where appropriate, in accordance with the Research Proposal, provided that any such work will be performed under a subcontract agreement approved by Sydnovate which will stipulate that all rights to the results shall vest with the University. The Researcher may also involve a student in the Approved Research, in accordance with the Research Proposal, provided that the student has first assigned all of their IP in the results of their research to the University.

The Researcher agrees to keep for a period of 20 years or forward to Sydnovate all records, including lab notebooks, of the conduct and conclusions of activities undertaken using the Funding. These records may be required for future IP protection and enforcement.

The Researcher will submit to Sydnovate a detailed report of the results of the Approved Research at the end of the funding period. [Optional text where a PCT needs to be filed] This report must be delivered by [insert date – to be 45 days prior to PCT]

The University asserts ownership of all IP in the Technology in accordance with Division 2 of the University's Intellectual Property Rule (2002) (“**IP Rule**”), including for the avoidance of doubt any IP created during the course of the Approved Research.

3 Variation of IP Rule in relation to distribution of income

3.1 In relation to the distribution of any income derived from commercialisation of the Technology (“**Commercialisation Income**”), the Researcher and the School agree to the following (which expressly varies Rule 14 of the IP Rule):

- a) The **Net Commercialisation Income**, calculated by the deduction of out of pocket costs of IP protection and commercialisation of the Technology from any Commercialisation Income, will be distributed as follows:
 - i) 50% is to be distributed equally among the Vice Chancellor's Fund, the School, and the Researcher in accordance with the IP Rule; and
 - ii) 50% will go to the Sydnovate Fund,

until an amount equal to 200% of the Funding has been received by the Sydnovate Fund (“**Repayment Threshold**”).

- b) The reference to Researcher in this section 3 is a reference to the Researcher who is a party to this letter agreement and all other persons entitled to a share of Commercialisation Income under Rule 14 of the IP Rule. If, during the Approved Research, other persons may become entitled to a share of Commercialisation Income, then the Researcher is to notify them of this variation to the IP Rule and notify the Sydnovate Fund, which will then obtain an acknowledgement from that person of this variation.
- c) Once the Repayment Threshold has been reached, all Net Commercialisation Income in excess of the Repayment Threshold will be distributed in accordance with the IP Rule.

4 Other terms

4.1 The Researcher also agrees to:

- a) provide the University with all assistance reasonably necessary to undertake IP protection and commercialisation of the Technology;
- b) not publish material relating to the Technology, without the Sydnovate's approval (which approval can be withheld for no longer than 1 month and only to ensure that appropriate IP protection has first been undertaken);
- c) comply with the IP Rule and Code of Conduct for Responsible Research; and

d) acknowledge the support of the Sydnovate Fund in any published material relating to the Technology.

4.2 Sections 3, 4(b) and 4(d) above survive the termination of this letter agreement.

5 Conclusion

Sydnovate is pleased to provide this Funding to the Researcher and wishes the Researcher all the best in progressing the Approved Research.

Yours sincerely,

Isaac Shariv
Director, Sydnovate

If you agree with the terms and conditions set out in this letter agreement please sign it and return it to Sydnovate.

Researcher

Head of School

.....
Signature

.....
Signature

.....
Printed name

.....
Printed name

.....
Date

.....
Date

Please indicate below the University of Sydney account code for the account into which the Funding will be paid:

Attachments

- Attachment A – Sydnovate Fund application form
- Attachment B - Funding Schedule