Exclusive Option Agreement for OHSU Startups - FAQs

1. **What is an Exclusive Option Agreement?**
An exclusive option agreement provides a company (also referred to as an Optionee) with a time-limited exclusive period of time to obtain a full license to a technology by "exercising" the option. Options are most commonly used in instances where the Optionee would like to evaluate the technology, conduct market research, and/or raise funding prior to entering into a full license agreement. An option agreement does not allow the Optionee to commercially manufacture, market, distribute or sell products based on the technology while a license does.

2. **What is the purpose of the Exclusive Option Agreement for OHSU Startups and why was it developed?**
The Exclusive Option Agreement for OHSU Startups was developed to encourage, foster and support an increasing entrepreneurial culture at OHSU and within the local community by providing a low-cost, preapproved agreement that OHSU and OHSU startup companies can quickly execute. This allows the new startup to focus on its company building activities.

3. **Who is the Exclusive Option Agreement intended for?**
The Exclusive Option Agreement for OHSU Startups is intended to benefit new OHSU startup companies with founders who are OHSU employees and/or students. Existing businesses are not eligible.

4. **Are the terms and conditions of the Exclusive Option Agreement for OHSU Startups negotiable?**
No. All terms and conditions are preapproved and fixed. If you would like to negotiate any terms, then a different agreement will be provided by Technology Transfer & Business Development.

5. **What technologies are available through the Exclusive Option Agreement for OHSU Startups?**
OHSU has a wide variety of technologies and intellectual property that may be subject to the Exclusive Option Agreement for OHSU Startups. In general, any technology that has been disclosed by OHSU employees, students and others to TTBD may be available through this mechanism, subject to third-party rights and public interest considerations.

6. **Can more than one technology or type of intellectual property be included under a single Exclusive Option Agreement for OHSU Startups?**
A party may request multiple technologies or types of intellectual property to be included under a single agreement, but depending on a variety of circumstances it may not be possible to include certain technologies or types of intellectual property together under the same terms.

7. **What can I expect to pay for rights under the OHSU Exclusive Startup Option Agreement?**
During the initial 6-month term of the Exclusive Option Agreement for OHSU Startups, the company will be responsible for an upfront option payment of $1,000 per technology, plus any patent costs that arise or are incurred by OHSU. If the term is extended by mutual agreement between the company and OHSU, the company will pay a term extension payment of $1,000 per technology for each 6-month extension, plus continuing payment for any patent costs that arise or are incurred by OHSU. The payments made to OHSU are non-refundable.

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8. **What can my company do during the term of the Exclusive Option Agreement for OHSU Startups?**
During the term, and any extensions granted, the company will be able to conduct internal research and evaluation of the technology, which includes efforts to secure funding for further development of the technology. Other activities may include completing initial business planning, due diligence on the intellectual property or securing license rights to the technology. Practicing the technology, such as making, marketing, distributing or selling products, is strictly prohibited under the Exclusive Option Agreement for OHSU Startups.

9. **What are the diligence requirements under the Exclusive Option Agreement for OHSU Startups and why are they required?**
OHSU requires the company who enters into the Exclusive Option Agreement for OHSU Startups to conduct certain activities during the term in order to demonstrate to OHSU that the company has the resources, expertise and capabilities to move the technology towards commercialization. OHSU requires the company to work towards a plan for further development and commercialization of the technology including securing funding or investment. In order for the company to enter into a commercial license, it will be required to provide OHSU with the following:

   - Corporate governance documents, including identification of a qualified management team
   - Comprehensive commercialization/business plan
   - Documentation demonstrating that it has secured or will secure within the next six months at least $100,000 in funding or other investment, which may include SBIR/STTR funding

10. **How quickly can the Exclusive Option Agreement for OHSU Startups be executed?**
Once OHSU has determined that your company qualifies as a new OHSU startup with founders who are OHSU employees or students and conflicts can be managed, you can generally expect a week for the agreement to be executed.

11. **What is the term of the Exclusive Option Agreement for OHSU Startups and can it be extended?**
The term is 6 months. The term may be extended in 6-month increments upon request by the company during the then active term and approved in writing by OHSU. Additional fees apply for each extension of the term.

12. **Will my company be guaranteed a license if it meets all requirements under the Exclusive Option Agreement for OHSU Startups?**
OHSU is agreeing to negotiate with your company during the term of the Exclusive Option Agreement for OHSU Startups. Despite good faith efforts, there is no guarantee that a license will ultimately be reached. If a license is not reached by the end of the term, OHSU will be free to negotiate with other prospective licensees.

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