

**AGREEMENT FOR THE SALE OF**

**INTELLECTUAL PROPERTY RIGHTS**

**BETWEEN**

**UNIVERSITI SAINS MALAYSIA**

**AND**

**AAA**

**AGREEMENT FOR THE SALE OF INTELLECTUAL PROPERTY RIGHTS**

**THIS AGREEMENT FOR THE SALE OF INTELLECTUAL PROPERTY RIGHTS** is made this day of 2022 (hereinafter referred to as “Agreement”);

**BETWEEN**

**UNIVERSITI SAINS MALAYSIA**, a public university established under the Universities and University Colleges Act 1971 which for the purpose of this Agreement is represented by its School of \*\*\* with its main address at Level 6, Chancellory Building, 11800 USM, Pulau Pinang, Malaysia (hereinafter referred to as “USM”), of the first part;

**AND**

**AAA (Company No:** \*\*\* **),** a company incorporated in Malaysia and having its business address at \*\*\* (hereinafter referred to as “AAA”); of the second part.

(USM and AAA shall hereinafter be collectively referred to as “Parties” and individually as “Party”, where the context so requires)

**WHEREAS:**

A. USM is Malaysia’s premier public university with APEX university status, together with research and teaching facilities, experience, and a multi-disciplinary team of experts from among its staff members aspires to undertake the creation, development, dissemination and application of knowledge that can contribute towards achieving the Government goal of nation building;

B. USM is the owner of the invention as identified in **Annexure A** hereto (“**Invention**”);

C. AAA is desirous of acquiring rights and interest of USM in the Invention and Technical Information; and USM is desirous of assigning all its rights, title and interest in the Invention and Technical Information to AAA upon the terms and conditions stated in this Agreement.

**NOW THIS AGREEMENT** is agreed by the Parties as follows:

**Clause 1 DEFINITION**

* 1. In this Agreement unless the context otherwise requires the following terms shall bear the following meanings:

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| **“Agreement”** | means this instrument and all Annexures attached hereto; |
| **“Closing Date”** | means the date when total payment of Purchase Price has been made by AAA and fully received by USM (fully received means moneys paid via cheque or money deposited via telegraphic transfer are already in USM’s account as confirmed by the bank); |
| **“Intellectual Property**  **Rights”** | means all   * 1. invention; manner, method or process of manufacture; method or principle of construction; or design; plan, drawing or design; or scientific, technical or engineering information or document;   2. Patent, application for a patent, right to apply for a patent or similar rights for or in respect of any intellectual property referred to in paragraph (a);   3. Trade secret, Information, confidential information or right of secrecy or confidentiality in respect of any information or document or other intellectual property referred to in paragraph (a);   4. Copyright or other rights in the nature of copyright subsisting in any works or other subject matter referred to in paragraph (a);   5. Registered and unregistered trademark, registered design, application for registration of a design, right to apply for registration of a design or similar rights for or in respect of any work referred to in paragraph (a);   6. Any Intellectual Property in addition to the above which falls within the definition of intellectual property rights contained in Article 2 of the World Intellectual Property Organisation Convention of July 1967; and   7. Any other rights arising from intellectual activities in the scientific, literary or artistic fields;   in relation to the Invention as identified in Annexure A. |
| **“Invention”** | means the invention as described further in **Annexure A** hereof; |
| **“Inventor”** | means \*\*\* from School of \*\*\* of USM; |
| **“Purchase Price”** | means the amount of money payable by AAA to USM pursuant to this Agreement as referred to in Clause 3.1 herein; |
| **“Technical Information”** | means technical information relating to the Invention which includes, material composition, raw materials specifications, standard operating procedures, process equipment specifications, processing conditions, output standards and quality assurance methods; as well as market reports, lab test reports, field reports, case studies, awards and certifications developed prior to the Closing Date by USM, and that relates directly to the Invention, as set out in **Annexure B** hereto. |

* 1. Any reference to this Agreement to:
     1. a statute or the provision of the statute is a reference to the statute or the provision as amended or re-enacted at the relevant time;
     2. writing or any cognate expression includes any communication effected by facsimile transmission, electronic mail or similar means.
  2. The headings in this Agreement are for convenience only and shall not affect the meaning of the clauses and the sub-clauses to which they relate.
  3. Unless otherwise required, reference to the singular number shall include reference to the plural number and vice versa and reference to person shall include body corporate.

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| **Clause 2 SALE, PURCHASE AND TRANSFER OF INVENTION** | | |
| 2.1 In consideration of the Purchase Price set forth in Clause 3.1 hereof and pursuant to the terms and conditions of this Agreement, USM agrees to sell, transfers, assigns and delivers to AAA on the Closing Date, and AAA agrees to purchase and accepts all rights and interest in the Invention which consist of: | | |
|  | | (a) The Intellectual Property Rights in relation to the Invention as specified in Annexure A hereto; and |
|  | | (b) and all rights of action, powers and benefits arising from ownership of the Invention; including all related Technical Information. |
|  | | |
| 2.2 AAA requires USM (via the Inventor) to provide necessary technical assistance and advice to AAA in resolving any technical issues in the implementation of the Technical Information. In consideration of such services being provided, AAA shall pay Inventor, via USM, a **consultancy fee of Ringgit Malaysia \*\*\* only (RM \*\*\* ) per month**, for a period of six (6) months after the date of this Agreement. This consultancy fee is excluding their out of pocket expenses (transportation/traveling, accommodation, meals and other expenses including subsistence) which shall also be borne by AAA in accordance with Inventor’s usual entitlement as a staff of USM.  **Clause 3 PRICE AND PAYMENT TERMS** | | |
| 3.1 | | In consideration of the rights granted under this Agreement, the purchase price for the assignment of the Invention and Technical Information as set out in Clause 2 shall be **Ringgit Malaysia \*\*\* only (RM \*\*\* ) (the “Purchase Price”)** exclusive of 6% Goods & Services Tax (“SST”), which shall be borne by AAA, if applicable. The Purchase Price shall be paid upon the signing of the Agreement (*or to insert any other manner and time of payment as agreed*). |
| 3.2 | | The payment to be made by AAA to USM pursuant to this Agreement shall be made:   1. if by way of cheque in the name of UNIVERSITI SAINS MALAYSIA and sent to the following address: Pusat Inovasi dan Perundingan, Bahagian Penyelidikan dan Inovasi, Level 2, Chancellory II, Bangunan E 42, 11800 USM, Pulau Pinang, Malaysia; or 2. If by way of telegraphic transfer into the account of USM, **[insert Bank name]**, USM Branch; **Account No.: [please insert]**; and   a copy of the supporting document for the transfer shall be made available to the USM forthwith. |
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| **Clause 4 OBLIGATIONS OF AAA** | | |
| 4.1 | AAA acknowledges and agrees that it has prior to the date of this Agreement and up to the Closing Date hereof made all reasonable enquiries in respect of the Invention and has satisfied itself of the industrial applicability and commercial viability of the Invention. | |
| 4.2 | AAA shall pay the Purchase Price to USM in accordance with Clause 3 hereof. | |

**Clause 5 TECHNICAL INFORMATION IS PROVIDED “AS IS”**

AAA agrees and acknowledges that the Technical Information is as per the details provided under Annexure B and is valid as per the results of the research conducted by the Inventor. AAA further agrees and acknowledges that the Invention is experimental in nature and is provided “AS IS” without any warranty of merchantability, safety or fitness for any particular purpose or use and USM and/or Inventor does not retain or assume any liability for the use by AAA of the Invention or any products produced through the use of the Invention.

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| **Clause 6 TERMINATION** | | |
| 6.1 | USM shall be entitled to issue a fourteen (14) days written notice to AAA terminating this Agreement if AAA fails to make full payment of the Purchase Price as stipulated in Clause 3. | |
| 6.2 | Upon termination of this Agreement: | |
|  | 6.2.1 | nothing herein shall be construed to release either Party from such obligation that matured prior to the effective date of such termination; and |
|  | 6.2.2 | AAA shall cease to use the Invention in any way, destroy all forms of the Invention and AAA shall immediately deposit with USM the original and all copies of documents on the Invention, Technical Information and other documents containing data related to this Agreement received from USM (if any). |

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| Clause 7 COSTS | | | |
| Each Party shall bear its own solicitors’ costs of, and incidental to, the preparation of this Agreement, save and except for stamping fees which shall be borne solely by AAA. | | | |
| Clause 8 COMMUNICATIONS | | | |
| 8.1 | Notices  Any notice or other communication to be given under or in respect of this Agreement shall be in writing and may be delivered, given or sent by – | | |
|  | 8.1.1 | | hand; |
|  | 8.1.2 | | Registered post or express post or courier or other fast postal service; or |
|  | 8.1.3 | | telex, facsimile transmission or other instantaneous electronic media including email. |
| 8.2 | Notice of Change of Events  Each Party shall promptly notify the other party in writing, and furnish to such party any information that such party may reasonably request, with respect to the occurrence of any event or the existence of any state of facts that would: | | |
|  | 8.2.1 | result in the party’s representation and warranties not being true if they were made at any time prior to or as of the Closing Date; or | |
|  | 8.2.2 | impair the party’s ability to perform its obligations under this Agreement. | |
| 8.3 | Address | | |
|  | Any notice or other communication to be given under or in respect of this Agreement shall be delivered, given or sent to the addressee at the address or telex or facsimile transmission number, and marked for the attention of the person or officer of the addressee, set out below, or at such other address or telex or facsimile transmission number or marked for the attention of such other person or officer person as the addressee may give notice of to the other Party from time to time: | | |

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| For USM | | | | | |  | |
| Address | | | | | | **Centre for Innovation and Consultancy**  Research and Innovation Division  Level 2, Chancellory II  Building E42,  Universiti Sains Malaysia  11800 USM, Pulau Pinang, Malaysia | |
| Attention of | | | | | | Director, Pusat Inovasi dan Perundingan | |
| Tel No | | | | | | **\*\*\*** | |
| Fax No. | | | | | | **\*\*\*** | |
|  | | | | | |  | |
| For AAA: | | | | | |  | |
| Address | | | | | | **\*\*\*** | |
| Attention of | | | | | | Managing Director | |
| Tel. No. | | | | | | **\*\*\*** | |
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| 8.3 | Language | | | | | | |
|  | Any notices and communications to be given under or in respect of this Agreement shall be in the English language or, if in any other language, accompanied by a translation thereof in the English language, certified to be a true and correct translation of the original. | | | | | | |
| 8.4 | Time of service | | | | | | |
|  | Any notices and communications to be given under or in respect of this Agreement shall be deemed to have been duly served upon and received by the addressee – | | | | | | |
|  | 8.4.1 | | | if delivered by hand prior to 5.00 p.m. on a business day, at the time of delivery or, if delivered by hand at any other time, at 9.00 a.m. on the next business day following the date of such delivery; | | | |
|  | 8.4.2 | | | if sent by registered post, first class post or express or air mail or other fast postal service, on the 14th business day falling after the date of dispatch; and | | | |
| 8.5 | Proof of service | | | | | | |
|  | In proving the giving of a notice or any other document under or in respect of this Agreement, it shall be sufficient to show – | | | | | | |
|  | 8.5.1 | | | in the case of facsimile transmission or telex or other instantaneous electronic media, that the notice or other document was duly sent; and | | | |
|  | 8.5.2 | | | transmitted from the dispatching terminal as evidenced by a transmission report generated by the dispatching terminal. | | | |
| Clause 9 NATURE OF AGREEMENT | | | | | | | |
| 9.1 | | Entire Agreement  This Agreement: – | | | | | |
|  | | 9.1.1 | | | constitutes the entire agreement and understanding between the Parties with respect to the matters dealt with in this Agreement; | | |
|  | | 9.1.2 | | | was not entered into by the Parties in reliance of any agreement, understanding, warranty or representation of any Party not expressly contained or referred to in this Agreement. | | |
| 9.2 | | Counterparts | | | | | |
|  | | This Agreement may be executed in any number of counterparts or duplicates each of which shall be an original, but such counterparts or duplicates shall together constitute but one and the same agreement. | | | | | |
| 9.3 | | Amendments & additions | | | | | |
|  | | No amendment, variation, revocation, cancellation, substitution or waiver of, or addition or supplement, of any of the provisions of this Agreement shall be effective unless it is in writing and signed by both Parties. | | | | | |
| 9.4 | | Successors & Assigns | | | | | |
|  | | This Agreement shall be binding upon and inure for the benefit of the respective permitted assigns and successors-in-title of the Parties. | | | | | |
| 9.5 | | No Partnership or Agency | | | | | |
|  | | The provisions of this Agreement shall not be construed or taken to constitute | | | | | |
|  | |  | (i) a partnership between the Parties; | | | |
|  | |  | (ii) either Party to be the agent of the other Party; or | | | |
|  | |  | (iii) an authority to either Party to represent or bind or pledge the credit of  the other Party in anyway. | | | |
| 9.6 | | General Covenant | | | | | |
|  | | Each Party has entered in to this Agreement in good faith and shall give all such assistance and information to the other Party and execute and do and procure all other necessary person or companies, if any, to execute and do all such further acts, deeds, assurance and things as may be reasonably required so that full effect may be given to the terms and conditions of this Agreement. | | | | | |
| 9.7 | | Invalidity & Severability | | | | | |
|  | | If any provision of this Agreement is or may become under any written law, or is found by any court or administrative body or competent jurisdiction to be, illegal, void, invalid, prohibited or unenforceable then – | | | | | |
|  | | 9.7.1 | | | such provision shall be ineffective to the extent of such illegality, voidness, invalidity, prohibition or unenforceability; | | |
|  | | 9.7.2 | | | the remaining provisions of this Agreement shall remain in full force and effect; and | | |
|  | | 9.7.3 | | | the Parties shall use their respective best endeavours to negotiate and agree a substitute provision which is valid and enforceable and achieves to the greatest extent possible the economic, legal and commercial objectives of such illegal, void, invalid, prohibited or unenforceable term, condition, stipulation, provision, covenant or undertaking. | | |
| 9.8 | | Knowledge & Acquiescence | | | | | |
|  | | Knowledge or acquiescence by any Party of, or in, any breach of any of the provisions of this Agreement shall not operate as, or be deemed to be, a waiver of such provisions and, notwithstanding such knowledge or acquiescence, such Party shall remain entitled to exercise its rights and remedies under this Agreement, and at law, and to require strict performance of all of the provisions of this Agreement. | | | | | |

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| 9.9 | Rights and Remedies |
|  | The rights and remedies provided in this Agreement are cumulative, and are not exclusive of any rights or remedies of the Parties provided at law, and no failure or delay in the exercise or the partial exercise of any such right or remedy or the exercise of any other right or remedy shall affect or impair any such right or remedy. |
| 9.10 | Governing Law |
|  | This Agreement shall be governed by, and construed in accordance with, the laws of Malaysia. |
| 9.11 | Equitable Relief |
|  | The Parties acknowledge that any breach of this Agreement by either Party (“Breaching Party”) may cause irreparable damage to the other Party, and the Parties accordingly agrees that the other Party shall be entitled to injunctive relief in respect of any such actual or apprehended breach by the Breaching Party and, in addition to any award by the court in favour of the other Party, to be reimbursed in full by the Breaching Party for all costs and expenses (including legal expenses) incurred in enforcing the terms of this Agreement. |
| 9.12 | Waiver |
|  | No failure or delay on the part of either Party hereto to exercise any right or remedy under this Agreement shall be construed or operated as a waiver thereof nor shall any single or partial exercise or any right or remedy, as the case may be. The rights and remedies provided in this Agreement are cumulative and are not exclusive of any rights or remedies provided by law. |
| 9.13 | Name, official emblem or logo |
|  | Neither Party shall use, nor permit any person or entity to use the name, acronym, official emblem, logo, trade mark (or any variation thereof) or other Intellectual Property Rights (hereinafter referred to as “Brand Materials”) that is/are associated with or belongs to the other Party on any publication, document, paper, audio or visual presentation, or for publicity purposes. Notwithstanding this Sub-Clause 9.13, AAA is allowed to mention that the manufactured product originates from or utilises an original invention of USM that was initially developed by the Inventor; and AAA acknowledges that this reference to USM and Inventor shall not be considered in any way as an endorsement by USM and/or the Inventor of the products manufactured by AAA utilising the Invention.  *[ next page is the signing page ]* |

**IN WITNESS WHEREOF** the Parties hereto have by their authorized representatives hereunto set their hands on this Agreement on the date and year first abovementioned.

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| Signed for and on behalf of  **UNIVERSITI SAINS MALAYSIA**  in the presence of :  .............................................................  [ **HOD’s name & designation**] | )  )  ) | ...................................................................................  **PROF. DATO’ DR. FAISAL RAFIQ MAHAMD ADIKAN, *FASc***  Vice-Chancellor |
| Signed for and on behalf of  **AAA**  in the presence of :  .............................................................  [ **name & designation of witness** ] | )  )  ) | ...................................................................................  [ **name & designation** ] |

**ANNEXURE A**

**THE INVENTION**

**ANNEXURE B**

**TECHNICAL INFORMATION**