Agreement on Entrustment of Research (Draft)

Japan Chemical Industry Association (hereinafter referred to as "JCIA") has been coordinating with the U.S. and European chemical industry associations in the activities of the long-range research initiative (LRI) for the resolution of various issues on human health and the environment under the framework of the International Council of Chemical Associations (ICCA).

As part of LRI, JCIA and [institution] (hereinafter referred to as the "Institution") hereby enter into this agreement as follows in connection with the entrustment to the Institution of the research titled "[title of research]" (hereinafter referred to as the "Research") which will be carried out by [investigator] (hereinafter referred to as the "Investigator") who is in the position of [title] at [section] of the Institution.

Article 1. Purpose

JCIA shall entrust the Research to the Institution and the Institution shall accept such entrustment.

The Institution shall carry out the Research with the Investigator as the specific person to carry out the research (hereinafter referred to as the "Principal Investigator").

Article 2. Description of Research

Specific description of the Research to be carried out by the Institution under the preceding article shall be as set forth in the Proposal of Research Subject (in cases of a newly adopted project) or in the survey sheet for continued project, etc. or equivalent research plan (in cases of continued project).

Article 3. Entrustment Period

The Institution shall carry out the Research for a period of one (1) year from March 1, \_\_\_\_ to February 2\_, \_\_\_\_; provided, however, that the period may be extended or shortened upon discussion between JCIA and the Institution.

Article 4. Expenses

1. JCIA shall pay the Institution an amount of JPY \_\_\_\_\_\_ (consisting of JPY \_\_\_\_ of direct expenses and JPY \_\_\_\_ of overhead expenses) (consumption tax and local consumption tax included; hereinafter referred to as the "Expenses") as the expenses to carry out the Research.
2. The Institution shall not use the Expenses for any purpose other than for carrying out the Research.
3. Facilities or equipment acquired by the Institution to carry out the Research shall belong to the ownership of the Institution, provided that the Institution manages and maintains the facilities or equipment so acquired appropriately in accordance with the laws and regulations and other internal regulations during the period of this agreement.
4. JCIA may audit the use of the Expenses and the status of management of the facilities or equipment acquired by the Institution under the preceding paragraph, in which case the Institution shall cooperate with JCIA and provide reports, etc. promptly.

Article 5. Method of Payment

1. JCIA shall pay the Institution the Expenses payable to the Institution under the preceding article as set forth in the following items:
2. pay forty percent (40%) of the Expenses by the end of the month immediately following the month in which the research entrustment commences as set forth in Article 3;
3. pay forty percent (40%) of the Expenses by the end of the month immediately following the month in which the interim report set forth in Article 7 is received; and
4. pay twenty percent (20%) of the Expenses by the end of the month immediately following the month in which the Report of Outcome set forth in Article 10 is received.
5. In cases of extension or shortening of the period to carry out the Research under Article 3, the payment of expenses for research shall be decided upon discussion between JCIA and the Institution.

Article 6. Prohibition of Re-entrustment, etc.

1. The Institution shall not reentrust the Research to a third party without the prior written consent of JCIA.
2. The Institution shall not cause any person other than the Investigator or those whose specific research status can be controlled by the Investigator to engage in the Research.
3. If any person other than the Investigator engages in the Research in the course of the Investigator's carrying out the Research as the Principal Investigator subject to the preceding paragraph, the Investigator shall, at its responsibility, control the research status of such person and cause such person to observe the same obligations as those of the Investigator under this agreement.
4. In case the Investigator is not able to carry out the Research in a responsible manner, the Institution shall immediately notify JCIA to that effect and follow the directions of JCIA.

Article 7. Report

The Institution shall submit an interim report to JCIA in a form separately designated by JCIA by August 31, \_\_\_\_ and immediately report on such matters as JCIA may temporarily request as necessary information, at the opinion of JCIA.

Article 8. Monitoring

JCIA and a person designated by JCIA out of the employees of the member companies of JCIA may, upon prior notice to the Institution or the Investigator, exchange opinions on the progress of the Research and on other matters at the research institute, etc. of the Institution and check data, etc. (monitoring). The Institution and the Investigator shall cooperate with JCIA in such monitoring.

Article 9. Implementation of Research

1. In carrying out the Research, the Institution shall comply with the internal regulations of the research institute that have been established for the purpose of maintaining the legal and research quality, and secure a high-quality research that bears the severe scientific review.
2. The Institution shall carry out the Research at its responsibility and shall not demand compensation from JCIA for any damage suffered by it in carrying out the Research.

Article 10. Submission of Results

1. The Institution shall, by the end of the month immediately following the month in which the period set forth in Article 3 ends, prepare and submit a report of the results of the Research (hereinafter referred to as the "Report of Outcome") and a statement of expenses for the Research (hereinafter referred to as the "Statement of Research Expenses") to JCIA and also submit principal technical outcomes (broadly including programs and database, but excluding those proposed by the Institution and determined by JCIA to be unnecessary to submit in advance) obtained as a result of or in the course of the Research; provided, however, that if the Institution is not able to prepare a definitive Statement of Research Expenses because the expenses have not been fixed as of the end of the month immediately following the month in which the period set forth in Article 3 ends or because of other reasons, the Institution shall submit a tentative report (hereinafter referred to as "Tentative Report") by the same deadline upon prior notice to JCIA of such situation and then submit a definitive Statement of Research Expenses by a deadline separately agreed upon between JCIA and the Institution.
2. JCIA shall review the contents of the Report of Outcome and the Statement of Research Expenses (including Tentative Report) received under the preceding paragraph and, if it determines that they are acceptable as the results and implementation of the Research, immediately notify the Institution to that effect in writing (including email).
3. Upon JCIA's notice of the review result to the Institution under the preceding paragraph, the Research shall be completed.

Article 11. Re-submission

If, as a result of the review by JCIA under Article 10 Paragraph 2, JCIA has found any defect in the Report of Outcome or Statement of Research Expenses, JCIA shall immediately notify the Institution of such defect and the Institution shall immediately correct such defect and resubmit the Report of Outcome or Statement of Research Expenses.

Article 12. Publication of Results

1. If the Institution determines that the Outcome (as defined in Article 13) has reached a level that can be published, or if JCIA has requested the Institution to publish the Outcome, the Institution shall promptly publish the Outcome in a peer-reviewed academic journal.
2. When the Institution publishes the results of the Research at an academic conference or academic journal, etc., it shall notify JCIA of the publication in writing in advance and determine the timing, method and handling of application for patent upon discussion with JCIA. Any publication shall include a statement that the Research was supported as LRI by Japan Chemical Industry Association.
3. If the Institution fails to publish the results within six (6) months after JCIA's request or if the Institution fails to propose an extension of the period for the publication with the reason thereof, JCIA may publish the Institution's Report of Outcome without consent of the Institution.
4. Notwithstanding the preceding paragraph, if JCIA and the Institution enter into an agreement on entrustment of research ongoingly from the preceding year, the parties separately discuss the publication.

Article 13. Ownership of Outcome

1. Technical outcome such as invention, device, data and know-how obtained as a result of or in the course of the Research (including, without limitation, the technical outcome specified in Article 10; hereinafter collectively referred to as the "Outcome"), right to obtain patent right, utility model right, design right or trademark right (hereinafter referred to as "Industrial Property Right") under the Outcome, Industrial Property Right obtained thereunder (hereinafter collectively referred to as the "Relevant Industrial Property Right") and all of the intellectual properties or intellectual property rights including copyright of the reports prepared by the Institution (all of the above are hereinafter collectively referred to as the "Intellectual Properties") shall generally belong to the Institution and any expenses for the application for, acquisition and maintenance of the Relevant Industrial Property Right shall be borne by the Institution.
2. If the Institution intends to file an application for Relevant Industrial Property Right, it shall determine the timing and contents thereof upon prior discussion with JCIA. If the Institution does not file an application for Relevant Industrial Property Right, it shall notify JCIA to that effect.
3. If, after the Institution's application for Relevant Industrial Property Right under the preceding paragraph, the Institution intends to assign or waive the Relevant Industrial Property Right, it shall notify JCIA to that effect in advance.
4. If JCIA has notified the Institution that one of the member companies of JCIA designated by JCIA is willing to assume the Relevant Industrial Property Right, in response to the notice under the preceding paragraph, the Relevant Industrial Property Right shall be assigned to JCIA and the member company of JCIA designated by JCIA without consideration and the Institution shall cooperate in the procedures necessary for such assignment, in which case expenses for the application for, acquisition and maintenance of such Relevant Industrial Property Right arising after such assignment shall generally be borne by JCIA or the member company of JCIA designated by JCIA.
5. If neither JCIA nor a member company of JCIA designated by JCIA is willing to assume the Relevant Industrial Property Right in response to the notice under paragraph 3, JCIA shall promptly notify the Institution to that effect and the Institution may assign or waive the Relevant Industrial Property Right.

Article 14. Waiver of Right

1. If the Institution has notified JCIA of not filing an application for Relevant Industrial Property Right or if the Institution fails to file an application for Relevant Industrial Property Right by the day one (1) month prior to the date of publication of the research results determined upon discussion under Article 12 Paragraph 2, and if JCIA has notified that one of the member companies of JCIA designated by JCIA is willing to assume the Relevant Industrial Property Right, the Relevant Industrial Property Right shall be assigned to JCIA and the member company of JCIA designated by JCIA without consideration.
2. If JCIA or the member company assuming the Relevant Industry Property Right without consideration under the preceding paragraph intends to file an application for the Relevant Industrial Property Right and if JCIA or the member company of JCIA has requested the Institution, the Institution shall cooperate with JCIA or the member company of JCIA in the procedures necessary for the application.

Article 15. Practice of Outcome

JCIA and member companies of JCIA may freely practice Intellectual Properties (those belonging to the Institution and those belonging to JCIA and a member company designated by JCIA) without any charge owing to the Institution.

Article 16. Licensing to Third Party by Institution

If the Institution intends to license any Intellectual Property that belongs to the Institution under this agreement to a third party, it shall discuss the licensing with JCIA in advance.

Article 17. Obligation of Investigator

The Investigator shall fully cooperate in the Institution's performing the obligations under this agreement in good faith, as the person to carry out the Research.

Article 18. Retention

The Institution shall retain experimental data and records of the Research for ten (10) years after termination of the Research.

Article 19. Confidentiality

In executing this agreement, JCIA (in this article only, including "person designated by JCIA out of the employees of the member companies of JCIA" referred to in Article 8), the Institution and the Investigator shall keep confidential any information learned under this agreement and results of the Research and contents of Outcome, and shall not disclose or divulge them to a third party without the prior written approval of the disclosing party or use them for any purpose other than for the Research; provided, however, that this shall not apply to:

1. information that is in the public domain or publicly available at the time of learning, as demonstrated by the receiving party and that has become part of the public domain or publicly available after learning with no fault of the receiving party;
2. information that is already in the possession of the receiving party at the time of learning, as demonstrated by the receiving party;
3. information that is lawfully obtained from a duly authorized third party without confidentiality obligation; or
4. Outcome published under Article 12 of this agreement.

Article 20. Cancellation

Either JCIA or the Institution may cancel this agreement upon thirty (30)-day prior notice if the other party has breached any provision of this agreement; provided, however, that this shall not apply if the other party has corrected such breach and the notice of such correction has arrived within the above notice period.

Article 21. Force Majeure

If performance of all or part of this agreement becomes impossible or is delayed due to natural disaster, establishment, revision or abolition of laws and regulations or other reason not attributable to JCIA or the Institution, JCIA or the Institution, as applicable, shall not be responsible to the failure or delay; provided, however, that in cases of such failure or delay of performance of obligations due to such force majeure event, JCIA or the Institution, as applicable, shall immediately notify the other party to that effect and make the best efforts in order to minimize any damage expected to be suffered by the other party due to such failure or delay.

Article 22. Valid Period

1. Valid period of this agreement shall be from the execution date of this agreement to the day on which the Institution receives the written confirmation under Article 10 Paragraph 2.
2. Notwithstanding the provision of the preceding paragraph, the provisions of Article 12 shall remain effective until the research results are published, provisions of Articles 13 through 16 shall remain effective until ten (10) years passes from the termination of this agreement or until the day on which the last Relevant Industrial Property Right extinguishes, whichever occurs later, provisions of Article 19 shall remain effective until ten (10) years passes from the termination of this agreement and the provisions of Article 9 Paragraph 2 and of Article 24 shall remain effective so long as the relevant matter exists.

Article 23. Exclusive Jurisdiction

Any dispute, claim and counterclaim arising between JCIA and the Institution in connection with this agreement shall be subject to the exclusive jurisdiction of the Tokyo District Court for the first instance.

Article 24. Discussion

Any matter not covered by this agreement and any doubt related to this agreement shall be settled in writing upon separate discussion between JCIA and the Institution.

IN WITNESS WHEREOF, this agreement has been prepared in duplicate and each of JCIA and the Institution shall retain one (1) copy thereof after the names and seals of JCIA, the Institution and the Investigator are affixed.

March 1, \_\_\_\_

JCIA: Japan Chemical Industry Association

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Chairman

1-4-1, Shinkawa, Chuo-ku, Tokyo

Institution: Institution

Name, Title

Address

Representative (if necessary)

Name, Title

I agree to the contents of this agreement.

Investigator: Name, Title, Section

Institution

Address