

## Hadassah's IP Regulations

### 1. Purpose

- 1.1. Hadassah Medical Organization (“**Hadassah**”) is a leading academic medical organization comprised of two hospitals – Hadassah Ein-Kerem and Hadassah Mount Scopus. In the performance of its academic role and as a result of research activities conducted at Hadassah by employees of Hadassah and the Hadassah Research Fund (as defined below), and by collaborating researchers, new discoveries, technologies and knowledge are developed that may be the subject of intellectual property protection and have commercial potential.
- 1.2. Hadassah wishes to encourage the creation, protection, and utilization of new innovations developed at Hadassah's facilities with the following aims: making such intellectual property available for the utilization of humankind, generating revenues to support further research and development at Hadassah, including research and development that is administered by the Hadassah Research Fund, and providing reasonable compensation to its employees and contributing inventors.
- 1.3. The purpose of this document is to establish the rules for protecting, and promoting the commercialization of, Hadassah's intellectual property in accordance with Hadassah's policy.

### 2. Definitions

- 2.1. “**Contributor**” shall refer to an Employee other than an Inventor who made a substantial contribution to a Service Invention that should, in the view of the Principal Investigator, be recognized by the right to receive a percentage of the income from such Service Invention.
- 2.2. “**Disclosure of Invention**” or “**DOI**” shall mean a written disclosure of an Invention that is submitted by an Inventor, and which shall include, among other things, a detailed definition of the Invention, a description of the prior art, and a list of the Inventors and Contributors. The DOI shall be in the form attached hereto as Annex A, as may be updated by Hadassah or Hadasit from time to time.
- 2.3. “**Employee**” shall refer to any person employed by Hadassah, Hadasit, the Hadassah Research Fund, or another Hadassah Affiliate, whether permanently, temporarily or provisionally, including any such person who is on sabbatical/participating in a continuing education program/on unpaid leave and/or absent temporarily for other reasons.
- 2.4. “**External Inventor**” shall refer to any Inventor who is not an Employee.

- 2.5. “**Hadasit**” shall mean Hadasit Medical Research Services and Development Ltd. - a wholly owned subsidiary of Hadassah.
- 2.6. “**Hadassah**” shall mean Hadassah Medical Organization.
- 2.7. “**Hadassah Affiliate**” means any person or entity that controls or is controlled by or is under common control of Hadassah, including Hadasit. The term “Control” means the possession, directly or indirectly, of at least 50% of the share capital or voting rights or of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise. The Hadassah Research Fund shall also be considered a Hadassah Affiliate for the purposes hereof.
- 2.8. “**Hadassah Research Fund**” means the Research Fund of the Hadassah Medical Organization, a non-profit entity (“*Amuta*”) that has been established for the purpose of administering the research and development activities performed at Hadassah.
- 2.9. “**Hadassah Resources**” means all resources that are owned or administered by Hadassah or a Hadassah Affiliate and includes, without limitation, physical resources (such as equipment, laboratories and other facilities, consumables), intangible resources (such as intellectual property and goodwill), human resources, such as Employees, contractors, students, patients, and IT including software, data and databases.
- 2.10. “**Invention**” shall refer to any invention or discovery, and know-how including without limitation, scientific, engineering, technological, technical, medical, biological or chemical know-how, methods, techniques, processes, procedures, algorithms, software, hardware, material, formulae, tangible and intangible research results, data and information, pharmaceuticals and devices, as well as the further development and improvement of any existing invention or discovery.
- 2.11. “**Inventor**” shall mean, with respect to an Invention that is patentable, any person whose contribution is such that they should be recognized as an inventor under the applicable patent laws, and with respect to an Invention that is not patentable, any person who made an essential or substantial contribution to the achievement of such Invention, as determined by the Principal Investigator, or if there is no Principal Investigator, as determined by the Patent Committee.
- 2.12. “**Joint Invention**” shall mean an Invention that has more than one Inventor.
- 2.13. “**Patent Committee**” shall mean the committee appointed from time to time by Hadassah and Hadasit for the purpose of undertaking the functions set forth herein.

2.14. “**Principal Investigator**” shall mean the head of the laboratory or the research program at Hadassah and the research funds of Hadassah, in which the research that gave rise to an Invention took place.

2.15. “**Service Invention**” shall mean each of the following:

2.15.1. An Invention of an Employee which has been developed in the course of, or as a result of, his or her services (including research, academic, and clinical services) at Hadassah or at a Hadassah Affiliate, including any such Inventions developed while on sabbatical or unpaid leave, and whether or not such services were performed within the boundaries of Hadassah or at another location.

2.15.2. An Invention which was developed by an External Inventor in the course of, or as a result of, participating in research performed at Hadassah.

2.15.3. An Invention which was developed by visiting researchers, students, participants in continuing education programs, or other persons associated with Hadassah or Hadassah Affiliates, in the course of, or as a result of, such association.

2.15.4. An Invention, whether developed by an Employee or an External Inventor, which has been developed with the use of Hadassah Resources.

2.15.5. The continued development of an existing Invention which is not a Service Invention, where such continued development meets any of the criteria in 2.15.1 to 2.15.4 above.

in each case, including any such Invention developed pursuant to an agreement with or services provided to third parties, unless Hadasit has agreed in writing to exclude the provisions of these regulations with respect to such agreement.

### 3. **Ownership of Inventions.**

3.1. Ownership over all Service Inventions and over all intellectual property that subsist in or may be obtained or registered with respect to such Service Inventions shall vest with Hadassah, subject to the rights of the Inventor and any research funds to receive part of the income deriving from the Invention as set forth in Section 7 below. In accordance with Hadassah’s policies and agreements between Hadassah and Hadasit, and between Hadassah and the Hadassah Research Fund, Hadassah has assigned its entire right and interest in Service Inventions to Hadasit, and Inventors shall take all action reasonably necessary, including the execution of all relevant documents, in order to cause the assignment of Service Inventions directly to Hadasit.

- 3.2. An External Inventor who developed a Service Invention in the manner described in subsections 2.15.2, 2.15.3, or 2.15.4 above shall be required to assign all of his or her rights in the Service Invention to Hadasit. An External Inventor who contributed to the development of an Invention other than in the manner set forth in subsections 2.15.2, 2.15.3, or 2.15.4 above may assign their rights in the Service Invention to Hadasit pursuant to an agreement between Hadasit and such External Inventor. In return, said External Inventor shall receive his relative share of the income deriving from the Invention as set forth below. Hadasit shall be responsible for obtaining such an assignment from the External Inventor.
- 3.3. Nothing in the foregoing shall be construed as a general authorization or permission for any person who is not an Employee to participate in research at Hadassah or to use the resources of Hadassah or Hadassah Affiliates, and any such activity must generally be approved in advance by Hadassah or the relevant Hadassah Affiliates.

#### 4. **Notice of Invention**

- 4.1. The Inventor or Inventors shall advise a Hadasit representative of their Invention without delay immediately following the date of its invention.
- 4.2. In the event that following an initial discussion with the Inventor, such Hadasit representative is of the view that the Invention is sufficiently mature to be forwarded to the Patent Committee, then the Inventor shall submit a DOI for the Invention, and the Hadasit representative shall submit the DOI to the Patent Committee at its next meeting, provided that the DOI, together with any additional information requested by Hadasit pursuant to subsection 4.3 below, is submitted at least 14 working days prior to the next Patent Committee meeting.
- 4.3. The Inventor of any Invention (whether or not the Inventor believes it is a Service Invention) shall be obliged to deliver any additional information, documents, plans, diagrams and other particulars, required to examine the nature of the Invention, including any prior documentation.
- 4.4. When the Invention is a Joint Invention the Inventors shall specify in the DOI: (i) the names of each of the Inventors and whether there is an External Inventor amongst the Inventors; (ii) whether additional persons should be recognized as Contributors to the Invention; (iii) the allocation of rights between all the Inventors *inter se*, as agreed between the Inventors or, in the event that the Inventors are unable to agree, as proposed by the Principal Investigator. The DOI shall be signed by all the Inventors connected to the Invention (including the signature of each External Inventor). In the event that Inventors have not been able to agree on the allocation of rights between them and/or the Contributors this shall be noted, but shall not constitute grounds for delaying the delivery of the DOI.

4.5. In the event that the Invention was developed with the assistance of grants or financing provided by any third party, the Inventor shall provide particulars of the party financing the research, the amount of the financing and the terms and conditions on which the financing was provided; Hadasit shall report the Invention to the institution financing the research, subject to the provisions of the agreement with the financing party.

5. **Examination and Decision By the Patent Committee.**

5.1. The Patent Committee is the body with authority for (i) evaluating Inventions to determine whether they are Service Invention, (ii) determining whether Hadasit should proceed with the protection and commercialization of such Service Inventions or alternatively release the Service Invention to the Inventor, (iii) determining whether the rights in a Service Invention should be released at any subsequent stage, and (iv) exercising certain adjudicative powers.

5.2. The Patent Committee shall decide the following regarding each Invention that is submitted for its examination:

5.2.1. Whether the Invention constitutes a “Service Invention”, and if so:

5.2.2. Whether Hadasit should proceed with the protection and commercialization of the Service Invention, or alternatively release the Service Invention to the Inventor.

5.2.3. Where it is determined that Hadasit should proceed with the protection and commercialization of the Invention, the Patent Committee will determine whether a patent application will be submitted for the Service Invention, or whether the Service Invention will be commercialized without the submission of a patent application.

5.3. A Hadasit representative shall notify the Inventor in writing no later than seven (7) days following the date of the Patent Committee’s decision regarding each of the matters set forth above. With the approval of Hadasit’s CEO, the Hadasit representative shall be entitled to postpone the date for notifying the Inventor as above by thirty (30) additional days, provided that he shall advise the Inventor thereof.

5.4. If the Inventor has been delivered a notice by Hadasit that an Invention does not constitute a Service Invention, Hadasit shall have no claim to the Invention or any rights therein, and the Inventor shall be entitled privately to submit a patent application in respect thereof. Such an application shall be financed by the Inventor privately.

5.5. Should the Inventor dispute the Patent Committee’s determination as to whether an Invention is a “Service Invention”, the matter shall be submitted again to the Patent Committee, and the Inventor shall be entitled to present

his arguments at such Patent Committee meeting, following which the Patent Committee will make its final decision which shall be final and binding.

## **6. Ownership and Commercialization of Service Inventions**

- 6.1. All the rights in a Service Invention shall vest in Hadassah.
- 6.2. If the Patent Committee has decided that Hadasit will pursue the protection and commercialization of a Service Invention the Inventor shall be obliged to bring to Hadasit's attention every particular connected to the Invention and to do everything required for the purpose of protecting the Invention.
- 6.3. The Inventor shall not be entitled to engage independently with any person or any body whatsoever with regard to the examination, experimentation or exploitation of his Invention without prior approval in writing from Hadasit. Hadasit shall adopt all the measures required in Hadasit's discretion for protecting and exploiting the Invention, and Hadasit shall finance the costs connected therewith.
- 6.4. The Inventor will assist Hadasit by all means in any of the Invention commercialization efforts and in any on-going activities perfecting the Invention, including the execution of any necessary assignments, declarations and other documents.
- 6.5. The Patent Committee may decide at any time to discontinue its handling of a Service Invention. In such event, Hadasit shall advise the Inventor/s in writing of its decision as soon as possible, and, in any event, with respect to any Invention for which an initial filing of a patent application has been made, at least fourteen (14) days before it shall adopt any action for the purpose of abandoning the patent application and/or before it shall refrain from any action that shall constitute the abandonment of the patent application in practice (for this purpose, an email announcement shall constitute a notice in writing).
- 6.6. In cases where the Patent Committee has decided (1) not to pursue the commercialization of a Service Invention or (2) to abandon and not pursue further the commercialization of a Service Invention for which a patent application or other commercialization activities have been initiated, then the Inventors shall be entitled to pursue the protection and commercialization of such Invention independently, at their own expense, subject to the following conditions:
  - (a) the Inventor/s shall notify Hadasit in writing that they assume responsibility with respect to such Service Invention; and
  - (b) the Inventor and Hadasit shall execute a Return of Rights Agreement in the form prescribed by Hadasit; and
  - (c) Hadassah will be entitled to a portion of the proceeds generated from the commercialization of the Invention, as set forth herein.

## **7. Distribution of Income from Service Inventions**

7.1. Hadasit shall deduct all the direct out-of-pocket costs which it shall incur in connection with the protection of a Service Invention, including without limitation expenses relating to the filing, prosecution and maintenance of patents.

7.2. In addition, in the event that any funding agency or other third party is entitled to a share of the proceeds generated from the commercialization of an Invention under agreements with Hadasit, Hadassah, or the Hadassah Research Fund, then Hadasit shall act in accordance with such obligations and shall deduct and pay the amounts due to such funding agency or other third party.

7.3. The balance of the proceeds after deduction of the amounts set forth in 7.1 and 7.2 above shall constitute the "Net Income" which shall be available for distribution. The "Net Income" shall be distributed as follows:

7.3.1. 40% shall be allocated to the Inventor/s (or their successors and assigns). When there are several Inventors and/or Contributors the income shall be distributed in accordance with their share in the Invention under the agreement between them;

7.3.2. 20% shall be allocated to the research fund of the Principal Investigator, or in the event that there is no Principal Investigator, then to the Hadassah Research Fund, where it shall be available for use in the performance of further research by the Inventors at Hadassah, in each case - after deduction of 20% overhead to the research funds. If the Inventor or Contributor has terminated his work at Hadassah, the said income shall be dedicated to the Hadassah Research Fund to enhance research activities at Hadassah. For the avoidance of doubt, if an External Inventor has a share in a Service Invention, such External Inventor shall not be entitled to any portion of the 20% allocated to the Research Fund.

7.3.3. 40% shall be allocated to Hadassah.

7.4. In the event that Hadasit shall establish a company for the commercial exploitation of the Invention, or in the event that Hadasit receives any shares, options, or other equity securities or other non-cash consideration in connection with the commercial exploitation of a Service Invention (all of the foregoing, "**Equity Securities**"), Hadasit shall hold in its name all such Equity Securities until such time as the Equity Securities are sold. Hadasit shall have the exclusive discretion to decide how to vote in any matter brought for a vote of the holders of the Equity Securities and to determine when and how to sell such Equity Securities. Upon the sale of such Equity Securities, whether complete or partial, Hadasit shall allocate 40% the proceeds of such sale to the Inventor and 60% shall be allocated to Hadassah (after deducting all the costs pertaining to the sale of such Equity Securities,

and after deducting the amounts set forth in Sections 7.1 and 7.2). For the avoidance of doubt, if an External Inventor has a share in the Service Invention, Hadasit shall also hold the shares of the External Inventor.

7.5. In cases where a Service Invention has been released to the Inventors in accordance with Section 6.6, the income to be obtained by the Inventor shall be distributed as follows: (a) first, Hadasit shall be entitled to receive reimbursement of the direct out-of-pocket costs which Hadasit incurred in connection with expenses relating to the filing, prosecution and maintenance of patents prior to its release to the Inventor, (b) second, the Inventor shall be entitled to reimbursement of the Inventor's direct out-of-pocket expenses relating to the filing, prosecution and maintenance of such patents, and (c) the balance shall be allocated as follows:

7.5.1. 80% shall be allocated to the Inventor (or his successors and assigns).

7.5.2. 20% shall be allocated to Hadassah for the development of applied research and for the purpose of promoting Hadassah's general goals.

## 8. **Duty of Confidentiality**

8.1. The Inventors and Contributors and any person acting on their behalf shall not disclose or publish particulars in writing or orally in connection with any Invention without Hadasit's prior consent in writing; and shall adopt all the measures required to protect the secrecy of the Invention, until the occurrence of one of the following:

8.1.1. An application for the registration of a patent has been submitted by Hadasit. In such a case the Principal Investigator shall coordinate any publication relating to the Invention with Hadasit;

8.1.2. A notice in writing has been delivered to the Inventor by Hadasit stating that Hadasit does not regard the Invention as a Service Invention;

8.1.3. Hadasit has announced in writing that Hadassah has rights in the Invention, but it has no objection to the publication requested by the Inventor, since such publication does not prejudice the possibility of obtaining a patent for the Invention or of exploiting it in any other manner; or

8.1.4. Hadasit has announced to the Inventor in writing that it does not intend to submit a patent application with respect to the Invention or to exploit it in any other manner.

## 9. **Enforcement**

- 9.1. Hadassah shall be responsible for bringing these provisions to the attention of its employees, researchers and guests in its various publications; in the event of a breach of regulations disciplinary measures shall be adopted.
- 9.2. Subject to the aforesaid, Hadasit shall be responsible for enforcing and implementing these regulations.