

**CLEMSON UNIVERSITY
SONOCO INSTITUTE OF PACKAGING DESIGN AND GRAPHICS
MEMBERSHIP CONDITIONS AND AGREEMENT**

I. The parties to this Agreement are

A. Clemson University, a South Carolina public, post-secondary education, research, and service institution represented by its Sonoco Institute of Packaging Design and Graphics with offices at the Harris A. Smith Building, Clemson University, Clemson, SC 29634 (hereinafter, 'SONOCO INSTITUTE') and

B. _____ with business offices at _____ (hereinafter, 'Member').

II. PREMISES

A. WHEREAS, SONOCO INSTITUTE has recognized, technical expertise in and is engaged in education, research, and service related to the packaging design and graphics industries; and

B. WHEREAS, Member has technical and commercial interests related to the packaging design and graphics industries as well as certain technical expertise; and

C. WHEREAS, membership and participation in an organization established and sponsored by Clemson University may benefit Member, SONOCO INSTITUTE, and the industry in general; and

D. WHEREAS, the anticipated roles, programs, and activities of SONOCO INSTITUTE are fully compatible with the educational, research, and service missions and goals of Clemson University;

NOW, THEREFORE, the parties recognize and accept the following facts and conditions, and in consideration of these facts and conditions, and in anticipation of benefits there from, the adequacy of which is acknowledged by each party, SONOCO INSTITUTE and Member agree as follows.

III. ADMINISTRATION

A. Purpose of SONOCO INSTITUTE

1. To provide an organized structure and forum for exchange of technology related to the packaging design and graphics industries.
2. To secure for Clemson University continuous support for research and development in the field of packaging design and graphics and by this to support the continued growth of the industry.
3. To foster and encourage interaction among academic and industrial professionals in the field of packaging design and graphics.
4. To support the established missions and programs of SONOCO INSTITUTE as herein below articulated.
5. To provide a defined avenue for input by Members to the goals and priorities of SONOCO INSTITUTE in its educational programs, research, and service activities.

B. SONOCO INSTITUTE Missions

1. Provide laboratory experience in packaging design and graphics technology to undergraduate and graduate students.
2. Advance the development, implementation, and understanding of materials, structures, functionality, and consumer impact of packaging design choices.
3. Support research in printed electronics, sustainability, package development workflow, and consumer experience through pilot print production, software customization, workflow innovation, and close cooperation with other disciplines in material development.
4. Provide Members with technical expertise and access to facilities for the following:
 - a) Pilot printing and testing of various materials;
 - b) Package design and prototype services;
 - c) Training, continuing education programs, consultation, and seminars.

d) Retail environment for consumer studies.

IV. DEFINITIONS

A. Proprietary information or material is information or material developed by either party prior to, or independent of, the party's relation with SONOCO INSTITUTE. Proprietary information includes, but is not limited to research and test results, business plans and records of all types, as well as plans, prototypes, and models, plus concepts and ideas related to the above and expressed or summarized in tangible form.

B. Confidential information is all that information characterized in the Member's Mutual Non-Disclosure Agreement attached hereto as Appendix A and made part hereof.

C. Intellectual property is the manifestation, most commonly in tangible form, of the creative efforts and activities of an individual or of a group, each member of which has made an identifiable contribution. As defined, intellectual property is generally subject to and eligible for protection under federal patent and/or copyright laws. As used herein, intellectual property does not include ideas or general concepts; however, ideally such ideas and concepts may be proprietary information. Intellectual property is proprietary in nature.

D. Patent and all related legal terms, including foreign terms, are given the definitions established by statute, rules, or regulations, including the definitions inherent in or implied by U.S. patent law.

E. Market Advisory Committee (MAC) is a standing committee of SONOCO INSTITUTE comprising one representative from each member of the Center, the primary function of which is to advise SONOCO INSTITUTE personnel in relation to research objectives, practices, and priorities.

F. Member is any individual or entity that satisfies all criteria for at least one category of membership as described herein below in Section V.

G. Intellectual Property Committee is a Clemson University Standing Committee that evaluates patent disclosures made by University personnel and makes recommendations concerning domestic and foreign patent prosecution.

H. SONOCO INSTITUTE Services - services provided by SONOCO INSTITUTE, such as those described in Section III. C. 4., above. A current list of SONOCO INSTITUTE Services and members' prices will be published at least once per year.

V. MEMBERSHIP

A. Conditions - Membership in the Center shall be open to any individual, agency, or organization that completes an application and that agrees by completing the application to accept the terms and conditions herein described.

B. Category - Three levels or categories of membership based on total financial support of SONOCO INSTITUTE are defined and recognized as follows:

1. Basic Member - entity that contributes in-kind services or equipment to SONOCO INSTITUTE's facilities or operations as follows: \$15,000 of such contributions within one fiscal year (July 1 to June 30) entitles the entity to one year of Basic Membership; \$30,000 to two years, and \$45,000 or more to three years. Entities that have made such contributions prior to establishment of SONOCO INSTITUTE shall be recognized as if such contributions had been made during the first year of operation of SONOCO INSTITUTE. An entity may also secure Basic Member status by an annual cash payment of five thousand (5,000.00) dollars.

2. Member - entity that commits a minimum total of thirty thousand (30,000) dollars, payable in three equal, annual installments. To maintain the privileges of a Membership, for the initial three-year term, by the end of the second year, the entity must have made a firm commitment for an additional successive three year term, and by the end of the fifth year (second year of the second, successive, three-year term), the entity must have made a continuing commitment for another three-year term, and so on. Failure to make the above described, rolling commitment will result in the loss of Members' privileges and the associated benefits, specifically reduced service rates, in the third year of any current period.

3. Executive Member – entity that in addition to satisfying Member's requirements, annually pays at least an additional ten thousand (10,000) dollars in support of specified research in a designated area or by a specified faculty member. As described in Section V. D. 4. herein below, such fees shall include University overhead charges.

C. Term of Membership

1. For any of the above-described categories of membership, a Founding Member shall be any entity that has made a 3 year commitment along with minimum payment for that category by December 31, 2009, and requested designation as a Founding Member.

2. Membership shall be on a calendar year basis of January 1 through the following December 31, annually, with the three-year roll-over provision described for Members following the same schedule.

3. Membership fees will not be pro rated; fees paid will be applied to the “current year” (or triennial terms) as described above.
4. All Members shall enjoy a one (1) month grace period within which to pay any renewal fees.
5. Except for signs and obligations of any executed license agreement and obligations of confidentiality, all annual rights and responsibilities of membership expire annually on June 30.
6. Any Member may move to the next highest category of membership at any time during a given fiscal year by payment of the full membership fee for that category.
 - a) Any entity may pay membership fees for more than one year.
 - b) The Clemson University Research Foundation (CURF) acts as the fiscal agent for SONOCO INSTITUTE.
 - c) Payment of membership fees should be made to CURF and sent to SONOCO INSTITUTE, 233 Poole Agricultural Center, Clemson University, Clemson, SC 29634-0320.

D. Membership Rights and Privileges

1. Membership rights and privileges vary with the category of membership and include certain rights to negotiate licenses to intellectual property owned by Clemson University.
2. Basic Members
 - a) Appropriate public acknowledgment of membership/support of SONOCO INSTITUTE;
 - b) Subscription to SONOCO INSTITUTE newsletter and access to private website;
 - c) Notice of and admission to seminars by SONOCO INSTITUTE faculty and visiting professionals;
 - d) Opportunities to participate and present in SONOCO INSTITUTE meetings and programs, including reduced meeting and program registration fees, if applicable;

- e) Assistance in scheduling interviews with students and related placement assistance; and
- f) Representative membership on the Industrial Advisory Committee.

3. Member

- a) All rights and privileges of basic membership; and
- b) Credit of 100% of Members fees for SONOCO INSTITUTE services at published rates below those available to non-members. This credit can be used for machine time, labor rates and overhead, and typical consumables, but excludes customer specific materials (inks, paper...), travel and other out-of-pocket expenses.
- c) Licensing privileges as described in Section VI . E. below.

4. Executive Member

- a) All rights and privileges of Member.
- b) Right to designate 100 percent of fee paid in excess of Member fee for support of research in specific area, with provision that designated fees will be subject to payment of University overhead.
- c) Preferential rights to negotiate licenses for rights to specified intellectual property.
- d) Right to designate 50 percent of fee paid in excess of Member fee for services outside of the SONOCO INSTITUTE.
- e) Preferential off-hours scheduling of SONOCO INSTITUTE services and equipment.

VI. INTELLECTUAL PROPERTY

A. Clemson University shall retain ownership of all intellectual property developed exclusively by its faculty, other employees, or designated students; intellectual property developed jointly by Clemson University and an employee of any Member entity shall be jointly owned.

B. In the absence of a specific, separate, prior agreement to the contrary, because of potential federal support of research conducted by SONOCO INSTITUTE, all licenses of technology developed by SONOCO INSTITUTE may be subject to federal rights to a non-exclusive license to Clemson's rights in such technology.

C. Regardless of the category of membership, any Member with rights to license any technology must exercise those rights within 60 days of notification from SONOCO INSTITUTE of the rights. Notification of rights to the entity with the highest priority shall be made in writing within 10 days of full disclosure of the technology to the Office of Technology Transfer, Clemson University. Normally, technology will not be licensed prior to filing at least a provisional, United States patent.

D. Regardless of any licensing provisions or rights, Clemson University retains a fee-free, fully paid, irrevocable, non-exclusive license to all technology for which a Clemson employee, including students, is an inventor or co-inventor. This license is limited to using the invention in the ongoing, teaching, research, and service programs of Clemson University.

E. Intellectual Property developed exclusively by Clemson.

1. Based on disclosure, Intellectual Property Committee recommends securing patent protection.

a) Single Participating Member has provided designated funds for research and desires an exclusive license.

(1) SONOCO INSTITUTE notifies Member of rights to negotiate license.

(2) Terms and conditions of license to be established by good faith negotiations between parties.

(3) If an exclusive license is negotiated, Member will have input as to filing foreign patent applications, with responsibilities to pay for same, and Member will pay all costs of prosecuting of U.S. patent.

(4) If member declines to exercise its option for an exclusive license, SONOCO INSTITUTE will offer all Members the option to negotiate a license.

(5) If all Members decline option to license, technology will be listed as “available” by Clemson University or University may abandon patent prosecution at its option.

b) Single Participating Member has provided designated funds for research and declines an exclusive license.

(1) SONOCO INSTITUTE notifies Member of rights to negotiate license.

(2) Member declines right to negotiate any license, or considers only non-exclusive license.

(3) SONOCO INSTITUTE notifies all Members of option for non-exclusive license.

(4) If no Member exercises option for non-exclusive license, Clemson University may offer exclusive license on competitive basis to any entity.

c) If no participating Member has provided designated funds for research, Clemson University shall retain ownership of resulting intellectual property and may license such intellectual property on a competitive basis to any entity.

2. Based on disclosure, Intellectual Property Committee does not recommend prosecuting patent protection.

a) Inventors enjoy right of first refusal to prosecute patent following established Clemson University policy.

b) University retains ownership.

c) Subject to recovery of expenses by inventors, Member retains rights to license.

F. Intellectual Property developed jointly by Member and Clemson University.

1. Member has statutory inventor's non-exclusive rights.

2. Member has rights to negotiate license to Clemson's rights pursuant to E, above.

VII. MARKET ADVISORY COMMITTEE

A. Each Member, regardless of category, may designate a representative to serve on this Committee.

B. Each Member shall set the term of its representative.

C. Voting will be weight by membership category in the ratio of 1:3:4 for Basic Members, Members, and Executive Members, respectively.

D. The Committee shall select its officers and shall meet at least annually with the Directors of SONOCO INSTITUTE.

VIII. CONFIDENTIALITY

A. The purpose of SONOCO INSTITUTE is to facilitate exchange of information; however, from time-to-time, a Member may wish to direct that certain information be treated as confidential.

B. Confidentiality will be established by the Member and Clemson University executing duplicate originals of the Clemson University Mutual Non-Disclosure Agreement, a copy of which is attached hereto as Appendix A and made part hereof.

C. The results of specific tests and other services provided by SONOCO INSTITUTE and paid exclusively from member fees of Members or the Member fee portion of the member fees of Participating Members shall be and are considered to be confidential and proprietary to the requesting member. Results of research supported by non-designated funds paid from pooled membership fees are not proprietary to any member and are proprietary to Clemson University.

IX. ADDITIONAL TERMS AND CONDITIONS

A. Membership establishes no special relationship between Clemson and any Member, or among the Members.

B. A standard or Participating Member desiring to provide its proprietary materials for testing/evaluation shall execute a CU Recipient Material Transfer Agreement thereby claiming that Member's continuing ownership of the materials.

C. Membership establishes no agency relationship between the parties; as to Clemson and any and all Members, each to the other is related only as an independent contractor.

D. Employees, representatives, and agents of Members have no rights to employment or employee benefits with Clemson, nor do Clemson employees by virtue of this Agreement have any rights, duties, or privileges with or due to Member.

E. Each party shall be responsible for the acts of its employees, duties, and obligations of its agents carried out as part of their employment responsibilities as such may relate to this Agreement.

F. Confidential information developed by Clemson for a specific Member using SONOCO INSTITUTE services, costs for which are either credited against that Member's Member fees or invoiced directly to that Member, is the sole property of that Member. Clemson may not exercise any intellectual property rights to which it might otherwise be entitled with respect to this information.

G. WITH RESPECT TO ANY INTELLECTUAL PROPERTY PRODUCED, DISCOVERED, OR INVENTED AS A RESULT IN ANY WAY OF THIS AGREEMENT, CLEMSON MAKES NO WARRANTY OF THE MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE OF SAID INTELLECTUAL PROPERTY. IN ADDITION, MEMBER, AS A LICENSEE, ASSUMES ALL RISK OF PERSONAL AND PROPERTY DAMAGES THAT MIGHT ARISE FROM ITS USE OR MANUFACTURE OF THE INTELLECTUAL PROPERTY.

H. This Agreement shall be governed and construed pursuant to the laws of the State of South Carolina without regard to its conflicts of law principles

I. With respect of this Agreement, the parties agree that time is of the essence and further that this is the complete and entire agreement between them related to the subject hereof and that this document replaces all prior agreements written or oral. They further agree that this agreement may be modified only by the terms of a written, mutually signed amendment.

X. Approvals and Adoption

For Clemson University

Date: _____

For _____

Date: _____