TASKFORCE FOR STYRKET VIDEN- OG TEKNOLOGI-OVERFØRSEL

Guide to University Standard Licensing Models A and B

AALBORG UNIVERSITET

IT-UNIVERSITETET I KØBENHAVN

CBS COPENHAGEN BUSINESS SCHOOL

Roskilde University

AARHUS UNIVERSITY

KØBENHAVNS UNIVERSITET

DTU

SDU Syddansk Universitet

DANSKE UNIVERSITETER
UNIVERSITIES DENMARK

DANSK ERHVERV

Dansk Industri

Lægemiddelindustri foreningen

novo nordisk foundation
Benefitting people and society

Content

1.0 Introduction

Turning University Research into Your Own Company

The aim of the new Danish University IP Commercialization Framework is to give founders a straightforward way to turn university discoveries into thriving companies – opening new doors for innovation and making a lasting impact on the Danish business landscape.

This guide will show you how Danish universities make it simple to license university inventions. There are two flexible licensing models designed to help you bring your ideas from the lab to the market—with transparent terms and practical support every step of the way. Developed through close cooperation between all Danish universities and The Confederation of Danish Industry, Danish Chamber of Commerce, The Danish Association of the Pharmaceutical Industry, and The Novo Nordisk Foundation, this framework comes with a strong recommendation: use these models to transform your research into a successful business. The universities and their partners are committed to supporting you every step of the way.

The framework is transparent, flexible, and tailored to your journey. Whether you are building a deep tech company or pursuing clinical development, you will find a model to help you succeed. These models are designed to include highly favourable terms for the founders and represent the minimum levels permitted under state aid rules. For this reason, it is not possible to negotiate lower rates than those set out in the standard models.

If neither standard model fits your needs, you always have the option to negotiate a custom agreement. Standard models are designed to save you time – often reducing decision and processing time to just few weeks – so you can focus on what matters: building your business.

These standard models apply to all Danish universities and are specifically designed for spinouts. The models focus on licensing patent families, ensuring clear rights to inventions. When it comes to software, the standard models only apply when the software is protected by a patent.

This guide has been made to help you understand the two standard licensing models A and B. To start, there is an overview of the two standard models A and B followed by a license contract walkthrough. Hereafter, is a presentation of the commercial terms of model A and B, and lastly an overview of the specific opportunities offered in model B. At the end of the document, you can find a “getting ready” section and a checklist. These two sections are there to help you figure out if you are ready to engage in the licensing process.

Two Standard Licensing Models — Same Legal Terms

You can choose between two standardized licensing models, both based on the same legal framework. That means:

- The contract structure is fixed and agreed upon up front
- There is no legal difference between the models—only the financial structure changes, so you can pick what works for your spinout

- Using these models is entirely optional. If they do not suit your company's situation, you and the university can always negotiate your own tailored agreement.

2.0 Overview of Standard Models

The university offers two main standard licensing models, Model A and Model B. Each model has flexible options so you can select what works best for your business development stage and industry.

Overview of Standard Models A and B

Model A		Model B			
Legal terms		Legal terms			
Commercial options		Commercial options			
Royalty	Milestone (for pharma only)	Royalty	Buyout	Milestone	Equity
		Upfront payment		No upfront payment	

2.1 Model A

Model A is a university agreement which is split into two submodels.

Model A1, the "royalty model", is designed for most spinouts and entails:

- No upfront payments.
- You start paying technology access fee from year 3 (see table 1 below).
- Spinout covers all patent expenses from the start date of the agreement.
- You pay royalties as a percentage of net sales, calculated using a set framework. This is elaborated below.
    - See detailed royalty ranges and fee structure in table 2 below.
- You have a right to purchase IP based on a negotiation on market terms.

Year	Technology Access Fee [DKK]
0	0
1	0
2	0

3	15,000
4	30,000
5	50,000

Table 1

Category	Royalty range	Baseline royalty to be added into calculation framework	Max stacking	Comments
Life science incl. pharma	1-3%	2%	4%	
Deep tech	1-4%	3%	4%	
Software & AI	2-6%	3%	8%	
Market-ready industry	1-6%	3%	6%	Engineering and consumer applications

Table 2
*The exact royalty rate is determined by the calculation framework.
*Royalty is a percentage of net sales.

Model A2, the "milestone model", can only be chosen by spinouts within the pharma industry that will go through clinical development phases; however, pharma spinouts are also still welcome to choose the royalty model.

This model entails:

- No upfront payments.
- You start paying technology access fee from year 3 (see table 3 below).
- Spinout covers all patent expenses from the start date of the agreement.
- The royalty rate will be lower than in Model A1, max stacking, royalty cap and floor are lowered, instead milestone payments are made as your product passes through clinical and regulatory stages.
    - Payment structure and milestones outlines in table 4 below.
- You have a right to purchase IP based on a negotiation on market terms.

Year	Technology Access Fee [DKK]
0	0

1	0
2	0
3	15,000
4	30,000
5	50,000

Table 3

Category	Royalty range	Baseline royalty to be added into calculation framework	Max stacking
Life science	0.5-2%	1.5%	2.5%

Table 4
*The exact royalty rate is determined by the calculation framework

* Royalty is % of net sales

2.2 Model B

Model B allows your spinout more flexibility in how you pay and align with different growth or investment opportunities. It can be combined with either of the Model A versions as it is an extension of Model A1 (royalty) or Model A2 (milestone).

Options include:

- Upfront payment
    - You may choose to pay an initial sum to reduce either your royalty rate or your TAF.
- Mixed Equity / Royalty model
    - Instead of paying the full royalty rate, you can offer the university a share in your company (equity) in exchange for lower royalty payments.
    - The percentage of equity and royalties are calculated within set limits.
- Fixed Buyout price with exit and big business windfall clauses
    - Agree up front on a price so your spinout can fully buy out the university's IP rights at a later stage.
    - Will include "windfall" payments in case of a major ownership change or high annual turnover.
    - Terms are fixed when the agreement is signed.

3.0 License Contract Walkthrough

This section explains what you need to know before entering into a Patent License Agreement with a university. It will help you navigate the main steps and important points, making the licensing process easier to understand and follow.

3.1 Cover Sheet

The cover sheet is a summary of the agreement which includes:

- Who the agreement is between: Lists the university (Licensor) and the company (Licensee)
- What is being licensed: The title of the invention and its patent number(s).
- Where the license applies: The "territory", usually worldwide but must be explicitly stated.
- What the agreement covers: The "field of use", clearly defining exactly which products or technology areas are included.
- Financial terms: Specifies what fees you will pay (upfront, royalties, share of sublicensing revenue, patent cost coverage, etc.).
- Contact details: Lists the people you should contact for legal, financial, or technical questions.

3.2 Key Definitions and Background

The agreement contains a selection of key terms all throughout, such as:

- Net sales: Income from sales that is used to calculate how much royalty you owe the university, once you start having income in the company.
- Patent: The legal protection covering the invention.
- Territory: The countries or regions where your license is valid (worldwide per default).
- Field of use: The specific area of application the license covers, like therapeutics, diagnostics, or agricultural application, ideally to the product level.
- Sublicense: A sublicense is a secondary license granted by the Licensee to a third party, allowing that third party to use the Licensed IP within the scope of rights originally granted by the Licensor — and only to the extent the License Agreement permits such sublicensing.

3.3 How Exclusive Licensing Works

The Patent License Agreement is typically "exclusive" which means:

- Only your company can use the patent in the agreed field and territory.
- No competing licenses: The university cannot give these same rights to anyone else for your area.
- University won't compete: The university itself cannot use the invention for commercial use purposes in your territory/field.

- Exceptions: The university can still use the invention for research and teaching as long as it is not for profit.

With exclusivity, you get a protected space to build your business without worrying that other companies will get the same rights from the university. A non-exclusive license will require a separate negotiation.

You have the right to:

- Develop products and services based on the invention,
- Manufacture and sell those products,
- Grant rights to other businesses (sublicensing, see below),
- Use the invention in the defined field of use and territory.

Others, including other companies, cannot get the same commercial rights from the university within your field and territory.

3.4 Sublicensing: Letting Other Companies Use the Technology

Sublicensing means your company gives another business permission to use the patent under your main license with the university.

- What sublicensing allows: You can authorise other companies to develop, make, market, and sell products based on the invention. You can also use contractors to help with development or manufacturing; they are not sublicensees unless they are selling or paying for the right to use the patent.
- Your responsibilities
    - Always notify the university in writing before you grant a sublicense.
    - The sublicense contract must clearly state the sublicensee will follow all terms of the Patent License Agreement.
    - If your sublicensee wants to further sublicense (“sub-sublicense”), you must get the university’s written approval first.
- Financial details: Each year, you must report sublicensing revenues. The revenue is usually split between university and your company according to the agreed percentage (for example, 15 pct. to the university, 85 pct. to you).
- Legal responsibility: Your spinout is responsible if a sublicensee or contractor fails to comply with the agreement.

3.5 Affiliates: Extending Rights Within Your Company Group

Affiliates are companies closely connected to your company. This can be:

- A parent company that owns your spinout.
- A subsidiary which your spinout owns.
- A sister company under the same corporate group.
- Any company that is under common control with your spinout (typically, 50 pct. or more shares or voting rights)

Key things to know about affiliates:

- You must have a legal or ownership connection: Being part of the same group or under common control.
- Affiliates are automatically treated as sublicensees under your agreement (except for payments): They must follow the same rules and are subject to the same obligations as you are.
- Affiliates must pay royalties on their net sales, just as your spinout does.
- You must include information about their use of the license in your yearly report to the university.
- You need to ensure you can track, collect, and report sales and royalty data from all affiliates.
- The spinout's affiliated companies can use the license but must pay royalties like the spinout.

3.6 Patent Management

- The university usually takes care of filing and maintaining patents but will consult with your spinout about key decisions.
- You are responsible for covering patent costs.
- If you no longer see commercial potential in a country, you can ask the university to give up the patents there.

3.6.1 Improvements

- Any new improvements to the invention are owned by the party who invents them (either your spinout or the university).
- You can negotiate to license further improvements from the university if needed.

3.6.2 Infringement

- If someone uses the patent without permission:
    - Either your spinout or the university can take legal action against the infringer.
    - The party that initiates the lawsuit covers the costs.
    - If your spinout does not act when expected, the university has the right to convert your exclusive license to a non-exclusive license for the affected country.

3.7 Liability, Representations and Warranties, and Indemnification

- Your company is fully responsible for the use of the invention.

- The university is not liable for damages or legal issues caused by the product.
- Therefore, you must:
    - Have product liability insurance that covers your product before and after launch, for as long as legal claims may occur.
    - List the university as an insured party in your policy.
    - Prove insurance coverage if asked by the university.
- If the university faces a lawsuit because of your product or if another party claims you infringed their IP, you must:
    - Defend the university and cover all related costs,
    - Respond quickly to any legal notices,
    - Obtain approval from university before settling

3.7.1 Force Majeure

- Force Majeure implies that if something major and beyond anyone's control occurs (such as a natural disaster), either party can pause or end the agreement.

3.7.2 Confidentiality and publication

- Both parties must keep sensitive information confidential, except when legally required to share information or if the information is already public.
- During the first 12 months after the patent is filed, coordinate with the university before any publication to avoid weakening patent protection.
    - Always plan publications with inventors and the university representatives.
- Danish law gives researchers publication rights, but this must be balanced against the need to protect the invention.

3.8 Reporting and oversight

- The spinout must send annual reports to the university covering:
    - Progress toward commercialization.
    - Sales and royalties.
    - Use of the patent.
- The university may review your records or audit your company if necessary.

3.9 Performance Requirements

- You must make real and reasonable efforts to develop and use the invention.
- If the university reasonably believes your spinout is not actively developing or intending to commercialise the invention, they will contact you and begin a process to address the issue.
- If there is still no progress, the spinout may lose its license. This performance requirement exists because publicly funded research must ultimately benefit society.

3.10 Termination

- The agreement ends if:
    - The patent expires or is invalidated.
    - The spinout decides to terminate (with six months' notice and all debts settled).
    - There is a major breach or bankruptcy.

3.11 Other Practical Terms

Other practical terms you must be aware of:

- No use of university logo or name without permission.
- This agreement replaces previous ones between the parties.
- All changes must be in writing and signed by both parties.
- Formal notices must be sent to the addresses listed in the agreement.
- Disputes are settled by Danish law, either in Danish courts or by arbitration (your spinout decides).
- Both parties sign the agreement to make it official.

3.12 Exhibits

These are the extra documents included at the end of the agreement:

- Exhibit 1: List of patents covered by the license.
- Exhibit 2: Reporting schedule for required updates.
- Exhibit 3: Anti-dilution protection clauses if applicable (describes how the licensor is protected against dilution up until DKK 20 million in accumulated investments).

3.13 Options (Model A and Model B)

Some Patent License Agreements offer special options depending on the model.

3.13.1 Purchase Right (Model A):

In model A, you may negotiate the purchase of the patent if your company gets an independent valuation or if it is being sold. The purchase price will be negotiated on market terms and in good faith.

3.13.2 Upfront payment (Model B)

In model B, you may choose to negotiate an upfront payment to reduce either your royalty rate or your TAF.

3.13.3 Buy-Out Option (Model B)

Choose between two alternative scenarios to buy out the university's rights

- Alternative 1: Negotiate the purchase of the patent if your company gets an independent valuation or if it is being sold. The purchase price will be negotiated on marked terms and in good faith (same as model A).
- Alternative 2: Negotiate a fixed buy-out price before signing the license agreement, including a discount, if your buy-out is affected 36 months from the agreement's start date. In this case, additional "windfall" payments to the university apply:
    - The windfall payments will be triggered if you sell your spinout and your company's yearly turnover reaches above DKK 250 million and are agreed upon up front, based on the invention's value and patent coverage.

3.13.4 Equity Option (Model B)

In model B, your company can propose giving the university a small share of the company (equity) against a reduction of the royalty rate by 50 pct. instead of paying the full royalty rate.

- This proposal must be approved by the university.
- Equity is calculated as 1.5 times the royalty before reduction and must be between 3 pct. (minimum) and 5 pct. (maximum).

4.0 Commercial Terms for Model A and Model B

4.1 Technology Access Fee

Spinouts are required to pay an annual Technology Access Fee (TAF) once their agreement reached the third year. The TAF is thus structured:

- No fee during the first 1-2 years
- Year 3: DKK 15,000
- Year 4: DKK 30,000
- Year 5 and onwards: DKK 50,000

The TAF is paid each October for the current year. When your annual royalty amount is calculated at the end of the year, the TAF you have already paid is deducted from the royalty owed. If your paid TAF is greater than your royalty for that year, you do not need to pay any additional royalty for that period.

4.2 Royalty

Royalties are paid as a percentage of your net sales to the university – related to the specific license in question The exact rates and the way they are determined depend on the model and the area your spinout operates in.

The royalty ranges determined for the standard models are:

- Life science: 1–3% (Model A1), 0.5–2% (Model A2)
- Deep tech: 1–4%
- Software & AI: 2–6%
- Market-ready industry: 1–6%

The final royalty percentage in all models is determined using a royalty rate tool.

4.2.1 The Royalty Rate Tool

The Royalty Rate Tool below is used to calculate the royalty rate your spinout will pay. It starts with a standard base rate which is set to 3 pct. except for life science where it is 2 pct. The base rates are determined using the university's historical data, as well as comparisons with international benchmarks. This base rate is then adjusted up or down based on several important factors such as the strength of your technology and the size of your market.

a.) Supply and demand

SAM - Market Size [MDKK]	Market CAGR [%] 2	4	6	8	10	15	20	25	30
5	-16	-14	-12	-10	-8	-6	-4	-2	0
10	-14	-12	-10	-8	-6	-4	-2	0	2
25	-12	-10	-8	-6	-4	-2	0	2	4
50	-10	-8	-6	-4	-2	0	2	4	6
100	-8	-6	-4	-2	0	2	4	6	8
250	-6	-4	-2	0	2	4	6	8	10
500	-4	-2	0	2	4	6	8	10	12
1.000	-2	0	2	4	6	8	10	12	14
2.500	0	2	4	6	8	10	12	14	16

c.) Required efforts

Investment Requirements [MDKK]	Entry Barriers - Challenge Level 8	7	6	5	4	3	2	1	0
500	-8	-7	-6	-5	-4	-3	-2	-1	0
200	-7	-6	-5	-4	-3	-2	-1	0	1
100	-6	-5	-4	-3	-2	-1	0	1	2
50	-5	-4	-3	-2	-1	0	1	2	3
25	-4	-3	-2	-1	0	1	2	3	4
10	-3	-2	-1	0	1	2	3	4	5
5	-2	-1	0	1	2	3	4	5	6
2	-1	0	1	2	3	4	5	6	7
1	0	1	2	3	4	5	6	7	8

b.) Technology maturity

Time to Market [years]	TRL - Technology Readiness Level 1	2	3	4	5	6	7	8	9
8	-16	-14	-12	-10	-8	-6	-4	-2	0
7	-14	-12	-10	-8	-6	-4	-2	0	2
6	-12	-10	-8	-6	-4	-2	0	2	4
5	-10	-8	-6	-4	-2	0	2	4	6
4	-8	-6	-4	-2	0	2	4	6	8
3	-6	-4	-2	0	2	4	6	8	10
2	-4	-2	0	2	4	6	8	10	12
1	-2	0	2	4	6	8	10	12	14
0	0	2	4	6	8	10	12	14	16

d.) IP position

IP Defendability & Strenght	IP Coverage (key enabling technology) 1	2	3	4	5	6	7	8	9
1	-8	-7	-6	-5	-4	-3	-2	-1	0
2	-7	-6	-5	-4	-3	-2	-1	0	1
3	-6	-5	-4	-3	-2	-1	0	1	2
4	-5	-4	-3	-2	-1	0	1	2	3
5	-4	-3	-2	-1	0	1	2	3	4
6	-3	-2	-1	0	1	2	3	4	5
7	-2	-1	0	1	2	3	4	5	6
8	-1	0	1	2	3	4	5	6	7
9	0	1	2	3	4	5	6	7	8

e.) Profit margin strain compensation

Normalized Scaling Factor =>	Product Profit Margin Range [%] 0-9	10-19	20-29	30-39	40-49	50-59	60-69	70-79	80-89	90-99
	0.25	0.37	0.49	0.63	0.74	0.86	1.00	1.12	1.23	1.37

Royalty Rate:

X% (base rate)
+ ____ (a.)
+ ____ (b.)
+ ____ (c.)
+ ____ (d.)
= ____ X ____ (e.)
= ____

Floor: 1% and Cap: 6%

Table 5: Schematic representation of Royalty Rate Tool

This approach ensures a fair royalty for both you and the university, reflecting your specific situation. The university will guide you through the calculation and provide useful benchmarks, but it is helpful to understand the main elements that impact your final royalty rate.

Below, five key aspects that determine how your royalty is set is explained, and what you should consider when preparing for the licensing process.

4.2.1.1 Supply & Demand

The first consideration is how attractive your potential market is, both in overall size and growth rate.

- Compound Annual Growth Rate (CAGR): Shows how quick your specific market is expanding. Faster-growing markets present bigger opportunities.
- Serviceable Addressable Market (SAM): Represents the segment of the market your product can realistically serve, after considering regulations, customer type, and geography.

Knowing both the growth rate (CAGR) and addressable market size (SAM) will help you and the university judge the business potential and set a fair royalty. Valid and as recent data as possible will be used to calculate the CAGR and SAM.

4.2.1.2 Technology Maturation

This measures how close your technology is to being commercialised and generating value.

- Technology Readiness Level (TRL): Standard scale from 1 (concept) to 9 (fully market-ready). Higher TRL means less risk and shorter time to sales.
- Time to Market: Estimates how long until your product can be launched commercially. The less time required, the better for all parties.

Royalty rates may be higher for mature technologies with short time to market, as these present less risk and sooner returns. Together, TRL and Time to Market complement the CAGR and SAM by offering insight into how soon and how feasible a technology can begin generating value within its target markets.

4.2.1.3 Required effort

Here, the focus is on how challenging and costly it will be to enter your chosen market.

- Entry barriers: Includes technical complexity, regulations, infrastructure needs, established competitors, and supply chain issues.
    - Scoring: Each barrier can be rated from 0 (easy) to 8 (very hard), and you can average or weigh them to get an overall sense of challenge. This scoring is part of the process when it comes to determining royalty whereby each party brings an estimate of the required effort to enter the chosen market.
- Investment needs: Takes into account the money your spinout will have to invest to overcome these barriers.

Greater required effort and higher risk may justify a lower royalty rate to help the spinout succeed.

4.2.1.4 IP Position

This assesses how robust and central your patent protection is.

- IP coverage
    - Scope of Claims: Broad claims may offer wider protection, while narrow claims may be easier to defend but offer limited coverage.

    - Geographical Coverage: Consider the jurisdictions in which the patent is granted or pending. Is it issued in key markets (e.g. EU, US, China)?
    - Family Size and Continuations: Larger patent families and longer terms are more valuable.
    - Remaining Term: Patents with a longer term provide ongoing competitive advantage, while those nearing expiration may offer limited future protection.
- IP defensibility and strength
    - Novelty and Inventive Step: Review the cited prior art and the examiner's reasoning to ensure the patent is not easily invalidated by existing technologies or publications.
    - Enforceability: Evaluate whether the patent can be practically enforced. This includes clarity of claims, absence of ambiguity, and a history of successful enforcement.
    - Freedom to Operate: Does it provide genuine freedom to operate without overlapping third-party rights that could limit its utility?

4.2.1.5 Profit Margin

Aligning royalty payments with real-world profitability ensures fairness and supports business growth.

- Royalty rates are adjusted to fit your expected profit margins:
    - Low-margin products pay lower royalties; high-margin products can support higher rates.
- Benefits:
    - This encourages innovation by not penalizing early or risky products with uncertain profits.
    - Makes it feasible to enter price-sensitive or emerging markets.
- Finding margin data:
    - Use sources such as ReadyRatios, Statista, Yahoo Finance, Macrotrends, or industry reports to benchmark profit margins.

This approach helps both university and spinout share in success and avoid overburdening the business in the early years.

University representatives will be able to discuss the calculated royalty rate with you.

4.3 Patent costs

From the start date of your agreement, you must cover all ongoing and future patent expenses, such as:

- Patent agents' fees,
- Filing and maintenance costs across the territory,
- Required translations.

You can find information on typical patent budgets online including at the European Patent Office. The university can also help you estimate your patent budget.

4.4 Sublicense income

If you sublicense – i.e. if you allow other companies to commercially use your technology – your technology to another company:

- You keep 85 pct. of the sublicense income, and
- 15 pct. is paid to the university.

5.0 Opportunities by Using Model B

Model B offers greater flexibility for spinouts by allowing different ways to structure payments and ownership. There are three main options. You can mix and match these options based on what works best for your spinout. However, with a price upfront for IP, comes the two windfall clauses. All payments, reductions, and equity exchanges are determined upfront in the agreement.

5.1 Upfront Payment Option

You can choose to pay a fixed upfront amount (e.g. DKK 250,000) to the university.

- Main features:
    - Paying upfront reduces either your royalty rate or your annual TAF.
        - The reduction in TAF can be seen in table 6 below, or
        - A 25% reduction in your royalty rate
    - The exact upfront amount is negotiable.
    - The royalty rate cannot be reduced below the agreed minimum, even with an upfront payment.

Category	Upfront payment (DKK)	Reduction in calculated royalty (pct.)	OR	Reduced TAF (Technology Access Fee)	
Life science - Pharma	250,000	25 %		Year	TAF [DKK]
Life science	250,000	25 %		0	0
Deep tech	250,000	25 %		1	0
Software & AI	250,000	25 %		2	0
				3	10,000

Market-ready			4	15,000
industry (max 3 years to market) Engineering and consumer applica-tions	250,000	25 %	5+	25,000

Table 6

5.2 Mixed Equity/Royalty Option

You can offer the university a share of your company (equity) in exchange for lower royalties.

- How it works:
  - The royalty rate is halved.
  - The university receives a calculated equity share, calculated as 1.5 times the original royalty rate.
    - For example, if the original royalty rate is 2.5 pct., then the equity granted is 3.75 pct. See table 7 below.
  - The minimum equity stake is 3 pct., and the maximum is 5 pct.
  - The university acts as a silent partner.
  - This equity is non-dilutive until your spinout has raised DKK 20 million in new investment.

	Base	The calculated rate
Equity	No Equity	3,75% Equity (2,5%x1,5)
Royalty	2,5%	1,25% Royalty (2,5%/2)

Table 7

5.3 Fixed Buyout price with exit and big business windfall clauses

You can also agree to a fixed price to eventually buy out the university's IP rights, providing full ownership of the technology.

- Fixed Buyout Price:
  - The price is determined at the start of the agreement, based on the royalty rate and SAM. See table 8 below.
  - The spinout may decide not to transfer the handling of the IP at buyout but choose to take over patent handling at a later point in time. This is solely decided by the spinout. If the buyout happens within 36 months of the agreement's signature, you receive a 35 pct. price reduction.

	Royalty Rate (%)								
SAM Market size (Mdkk)/pr. year	1	1,5	2	2,5	3	3,5	4	4,5	5
25	0,1	0,1	0,1	0,125	0,15	0,175	0,2	0,225	0,25
50	0,1	0,15	0,2	0,25	0,3	0,35	0,4	0,45	0,5
100	0,2	0,3	0,4	0,5	0,6	0,7	0,8	0,9	1
250	0,5	0,75	1	1,25	1,5	1,75	2	2,25	2,5
500	1	1,5	2	2,5	3	3,5	4	4,5	5
1.000	2	3	4	5	6	7	8	9	10

Table 8
* in million DKK

- Exit Windfall Payment:
  - If control of the company shifts (e.g. through investment causing non-funder majority ownership), a one-time "exit windfall" payment is triggered.
  - The amount is determined using the company's value and agreed criteria. See table 9 below.

Business Valuation	< 15 MDKK	15 – 35 MDKK	> 35 MDKK
Windfall Payment	375 KDKK	750 KDKK	1.5 MDKK

Table 9

- Big Business Windfall Payment:
  - If your spinout's annual turnover exceeds DKK 250 million, an additional "big business windfall" payment is made.
  - Both windfall amounts are agreed based on the initial value and coverage of the licensed IP. See table 10 below.

IP Value	Payment
Incremental	1 MDKK
Moderate	3 MDKK
Radical	7.5 MDKK

Table 10

- IP Value Assessment:
    - To quantify IP value, the following categories are used:
        - Incremental: Limited commercial impact. The patent covers only a small, non-essential part of the product and is likely dependent on other IP.
        - Moderate: Covers an important component or function. It contributes to differentiation but may not be transformative.
        - Radical: Essential, market-blocking IP.

6.0 Significant changes in your situation?

It should be recognized that there may be uncertainties, especially at this early stage. Please remember that if there are significant changes to the IP situation or market conditions in the future, you will always be able to return to the university and renegotiate the terms of your agreement.

7.0 Getting Ready – Questions to consider

Answer the questions below to see whether you are ready to engage in the licensing process:

Strategic Readiness

1. What is my long-term vision for the spinout?
    - Are we aiming for rapid growth, acquisition, or long-term independence?
2. Why is this university IP critical to my business?
    - Is it core to my value proposition or just a supporting element?
3. Which licensing model (A or B) best fits my business model and development path?
4. Do I understand the standard legal terms?
    - Do I understand that the legal terms are fixed across the models?
    - Please read legal terms below.

Operational & Financial Readiness

5. Do I have a clear business plan and go-to market strategy?
    - Can I articulate how I will develop, fund, and commercialize the technology?
6. Can I cover patent costs from the start of the agreement?
    - These costs are the spinout's responsibility from the day the agreement is signed.
7. Am I prepared to pay technology access fees from year 3?
    - Have I budgeted for this in our financial planning?
8. Do I understand the royalty model and how it will impact my margins?
    - Have I reviewed the royalty framework and modelled different scenarios?

Team & Governance

9. Do I have a committed founding team with relevant expertise?
    - Including technical, commercial, and regulatory (if applicable) capabilities.
10. Have I clarified roles, responsibilities, and equity splits among founders?
    - Let's break down the key financial terms in plain language. Whether you're choosing a standard model or negotiating a custom deal, this guide helps you understand royalties, fees, equity, and windfall clauses—so you know exactly what you're agreeing to.
    - Misalignment here can delay or derail licensing discussions.

11. Do I have advisors or board members who understand IP commercialization?
    - Especially helpful when navigating licensing and investor discussions.
12. If I don't fit into Model A1, A2 or Model B, am I ready to enter a negotiation track?
    - This may result in a longer negotiation and processing time and will demand more resources from both parties.

8.0 Checklist

Here's a comprehensive checklist for spinouts based on the full University Standard Patent License Agreement. It's divided into two parts:

8.1 Checklist Before Signing the Patent License Agreement

Legal & Administrative

- [ ] Confirm the correct invention title and patent number.
- [ ] Verify the ownership share of the patent of the university.
- [ ] Ensure the territory and field of use match your business plan.
- [ ] Review the standard legal terms—they are non-negotiable across universities.

Financial Terms

- [ ] Understand the royalty rate and how it's calculated.
- [ ] Confirm the technology access fee schedule (starts in year 3).
- [ ] Accept responsibility for patent costs from the agreement date.
- [ ] Check if milestone payments apply (especially for pharma spinouts).

Risk & Responsibility

- [ ] Set up product liability insurance which includes the university as an insured party.
- [ ] Prepare to indemnify the university against legal claims related to your product or IP use.

Confidentiality & Publication

- [ ] Make a publication plan with inventors to avoid conflicts with patent filings.
- [ ] Understand the 12-month window after patent filing for adding data or improvements.
- [ ] Discuss how university-based inventors can contribute to the spinout.

Affiliates & Sublicensing

- [ ] Identify any affiliates and ensure they follow the same rules.
- [ ] Prepare for sublicensing:
    - Agreements must be in writing.
    - Notify the university with sublicensee details.
    - Include compliance clauses in sublicense agreements.

8.2 Checklist for Ongoing Reporting & Obligations

Annual Reporting (Due within 60 days after year-end)

- [ ] Submit a report covering:
    - Progress toward commercialization.
    - Use of the patent.
    - Sales of products using the patent.
    - Net sales and royalty calculations.
    - Sublicensing revenue and royalty calculations.

Other Reporting Requirements

- [ ] Notify the university of:
    - Any new sublicense agreements.
    - Any changes in contact information.
    - Any insolvency, bankruptcy, or major financial issues (within 14 days).
    - Any infringement of the patent you become aware of.

Financial Obligations

- [ ] Pay annual technology access fees starting in calendar year 3.
- [ ] Pay royalties on net sales and sublicensing revenue.
- [ ] Cover all patent-related costs from the agreement date.
- [ ] Pay milestone payments if applicable.

Performance Monitoring

- [ ] Use commercially reasonable efforts to develop and use the patent.
- [ ] Respond to university inquiries about progress and agree on development plans if requested.
- Before you sign anything, take a moment to reflect. This checklist helps you think through your strategy, finances, team, and readiness to license university IP. It's a great way to spot gaps and prepare for a smooth process.