

NONEXCLUSIVE AGREEMENT

This Agreement between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("Stanford"), an institution of higher education having powers under the laws of the State of California, and

_____ ("Company"), a

corporation having a principal place of business at

_____,
is effective on the ____ day of _____, 20____ ("Effective Date").

1 BACKGROUND

Stanford has an assignment of an invention entitled "Green Fluorescent Protein (GFP) Mutants," which was invented in the laboratory of Stanley Falkow, and is described in Stanford Docket S95-040. The invention was made in the course of research supported by the National Institutes of Health.

2 DEFINITIONS

- 2.1 "Licensed Field of Use" means internal research purposes. The Licensed Field of Use excludes any use in humans.
- 2.2 "Licensed Patent" means Stanford's U.S. Patent Number 5,804,387, U.S. Patent Number 5,994,077, U.S. Patent Number 6,090,919, any reexamination application, and each patent that reissues from any of these patent. Any claim of an unexpired Licensed Patent is presumed to be valid unless it has been held to be invalid by a final judgment of a court of competent jurisdiction from which no appeal can be or is taken.
- 2.3 "Licensed Territory" means the world.
- 2.4 "Stanford Indemnitees" means Stanford and Stanford Hospitals and Clinics, and their respective trustees, officers, employees, students, and agents.

3 GRANT

- 3.1 **Grant.** Subject to the terms and conditions of this Agreement, Stanford grants Company a license under the Licensed Patent in the Licensed Field of Use to make and use the invention under the Licensed Patent in the Licensed Territory.

- 3.2 **Nonexclusivity.** The license is nonexclusive in the Licensed Field of Use beginning on the Effective Date and ending when the last Licensed Patent expires.
- 3.3 **Specific Exclusion.** Stanford does not:
- (A) grant to Company any other licenses, implied or otherwise, to any patents or other rights of Stanford other than those rights granted under Licensed Patent, regardless of whether the patents or other rights are dominant or subordinate to any Licensed Patent, or are required to exploit any Licensed Patent;
 - (B) commit to Company to bring suit against third parties for infringement; and
 - (C) agree to furnish to Company any technology or technological information or to provide Company with any assistance.

4 **SUBLICENSING**

Company may not grant sublicenses.

5 **GOVERNMENT RIGHTS**

This Agreement is subject to Title 35 Sections 200-204 of the United States Code. Among other things, these provisions provide the United States Government with nonexclusive rights in the Licensed Patent. Company will ensure all obligations of these provisions are met.

6 **ROYALTIES**

- 6.1 **Issue Royalty.** Company will pay to Stanford a noncreditable, nonrefundable license issue royalty of \$15,000 upon signing this Agreement.
- 6.2 **License Maintenance Fee.** On the 1st, 2nd and 3rd anniversaries of the Effective Date, Company will pay Stanford a yearly license maintenance fee of \$15,000. On the 4th anniversary and each anniversary thereafter, Company will pay Stanford a \$30,000 yearly license maintenance fee. Yearly maintenance payments are nonrefundable.
- 6.3 **Interest.** Any payments not made when due will bear interest at the lower of (a) the Prime Rate published in the Wall Street Journal plus 200 basis points or (b) the maximum rate permitted by law.

7 EXCLUSIONS AND NEGATION OF WARRANTIES

- 7.1 **Negation of Warranties.** Stanford provides Company the rights granted in this Agreement AS IS and WITH ALL FAULTS. Stanford makes no representations and extends no warranties of any kind, either express or implied. Among other things, Stanford disclaims any express or implied warranty:
- (A) of merchantability, of fitness for a particular purpose;
 - (B) of non-infringement; or
 - (C) arising out of any course of dealing.
- 7.2 **No Representation of Licensed Patent.** Company also acknowledges that Stanford does not represent or warrant:
- (A) the validity or scope of any Licensed Patent; or
 - (B) that the exploitation of Licensed Patent will be successful.

8 INDEMNITY

- 8.1 **Indemnification.** Company will indemnify, hold harmless, and defend all Stanford Indemnitees against any claim of any kind arising out of or related to the exercise of any rights granted Company under this Agreement or the breach of this Agreement by Company.
- 8.2 **No Indirect Liability.** Stanford is not liable for any special, consequential, lost profit, expectation, punitive or other indirect damages in connection with any claim arising out of or related to this Agreement, whether grounded in tort (including negligence), strict liability, contract, or otherwise.
- 8.3 **Workers' Compensation.** Company will comply with all statutory workers' compensation and employers' liability requirements for activities performed under this Agreement.
- 8.4 **Insurance.** During the term of this Agreement, Company will maintain Comprehensive General Liability Insurance, with a reputable and financially secure insurance carrier to cover the activities of Company. The insurance will provide minimum limits of liability of \$1,000,000 and will include all Stanford Indemnitees as additional insureds. Insurance must cover claims incurred, discovered, manifested, or made during or after the expiration of this Agreement and must be placed with carriers with ratings of at least A- as rated by A.M. Best. Within 15 days of the Effective Date of this Agreement, Company will furnish a Certificate of Insurance evidencing primary coverage and additional insured requirements. Company will provide to Stanford 30 days prior written notice of cancellation or material change to this insurance coverage. Company will advise Stanford in writing that it maintains excess liability coverage (following form) over primary insurance for at least the minimum limits set forth above. All insurance of

Company will be primary coverage; insurance of Stanford and Stanford Hospitals and Clinics will be excess and noncontributory.

9 EXPORT

COMPANY warrants that COMPANY will not export or reexport the following, directly or indirectly, to any country, individual or entity except when such export or reexport is authorized in full compliance with the laws and regulations of the United States of America, as applicable:

- (A) the licensed technology, or any portion thereof, or
- (B) any foreign produced direct product (including equipment, processes or services) of the licensed technology; or
- (C) any foreign produced direct product of a plant or major component of a plant if the direct product of the licensed technology is the plant itself or a major component of the plant.

Applicable laws and regulations may include, but are not limited to, the Export Administration Regulations, the International Traffic in Arms Regulations and the various economic sanctions regulations administered by the U.S Department of the Treasury.

10 STANFORD NAMES AND MARKS

Company will not identify Stanford in any promotional statement, or otherwise use the name of any Stanford faculty member, employee, or student, or any trademark, service mark, trade name, or symbol of Stanford or Stanford Hospitals and Clinics, including the Stanford name, unless Company has received Stanford's prior written consent. Permission may be withheld at Stanford's sole discretion.

11 PROTECTION OF PATENTS

Suspected Infringement. Company will promptly inform Stanford of any suspected infringement of a Licensed Patent by a third party.

12 TERMINATION

12.1 **Termination by Company.** Company may terminate this Agreement by giving Stanford written notice at least 30 days in advance of the effective date of termination selected by Company.

12.2 Termination by Stanford.

- (A) Stanford may also terminate this Agreement if Company:
 - (1) is delinquent on any payment; or
 - (2) is in breach of any provision.
- (B) Termination under this Section 12.2 will take effect 30 days after written notice by Stanford unless Company remedies the problem in that 30-day period.

12.3 Surviving Provisions. Surviving any termination or expiration are:

- (A) Company's obligation to pay fees accrued;
- (B) any claim of Company or Stanford, accrued or to accrue, because of any breach or default by the other party; and
- (C) the provisions of Articles 7, 8 and 9 and any other provision that by its nature is intended to survive.

13 DISPUTE RESOLUTION

- 13.1 **Dispute Resolution by Arbitration.** Any dispute between the parties regarding any payments made or due under this Agreement will be settled by arbitration in accordance with the JAMS Arbitration Rules and Procedures. The parties are not obligated to settle any other dispute that may arise under this Agreement by arbitration.
- 13.2 **Request for Arbitration.** Either party may request such arbitration. Stanford and Company will mutually agree in writing on a third party arbitrator within 30 days of the arbitration request. The arbitrator's decision will be final and nonappealable and may be entered in any court having jurisdiction.
- 13.3 **Discovery.** The parties will be entitled to discovery as if the arbitration were a civil suit in the California Superior Court. The arbitrator may limit the scope, time, and issues involved in discovery.
- 13.4 **Place of Arbitration.** The arbitration will be held in Stanford, California unless the parties mutually agree in writing to another place.
- 13.5 **Patent Validity.** Any dispute regarding the validity of any Licensed Patent shall be litigated in the courts located in Santa Clara County, California, and the parties agree not to challenge personal jurisdiction in that forum.

14 NOTICES

14.1 **Legal Action.** Company will provide written notice to Stanford at least three months prior to bringing an action seeking to invalidate any Licensed Patent or a declaration of non-infringement. Company will include with such written notice an identification of all prior art it believes invalidates any claim of the Licensed Patent.

14.2 **Other Notices.** All notices under this Agreement are deemed fully given when written, addressed, and sent as follows:

All general notices to Company are mailed to:

Name: _____

Address: _____

Email: _____

All financial invoices to Company (i.e., accounting contact) are e-mailed to:

Name: _____

Email: _____

All progress report invoices to Company (i.e., technical contact) are e-mailed to:

Name: _____

Email: _____

All general notices to Stanford are e-mailed or mailed to:

Office of Technology Licensing

1705 El Camino Real

Palo Alto, CA 94306-1106

info@otlmail.stanford.edu

All payments to Stanford are mailed or sent via bank wire transfer to:

If mailed:

Stanford University

Office of Technology Licensing

Department #44439

P.O. Box 44000
San Francisco, CA 94144-4439

If bank wire transfer:

Stanford University – OTL
c/o Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104

Account Number.: 4945-159507

Routing Number: 121000248

Swift Number: WFBIUS6S

All progress reports to Stanford are e-mailed or mailed to:

Office of Technology Licensing
1705 El Camino Real
Palo Alto, CA 94306-1106
info@otlmail.stanford.edu

Either party may change its address with written notice to the other party.

15 MISCELLANEOUS

- 15.1 **Waiver.** No term of this Agreement can be waived except by the written consent of the party waiving compliance.
- 15.2 **Choice of Law.** This Agreement and any dispute arising under it is governed by the laws of the State of California, United States of America, applicable to agreements negotiated, executed, and performed within California.
- 15.3 **Exclusive Forum.** The state and federal courts having jurisdiction over Stanford, California, United States of America, provide the exclusive forum for any court action between the parties relating to this Agreement. Company submits to the jurisdiction of such courts, and waives any claim that such a court lacks jurisdiction over Company or constitutes an inconvenient or improper forum.
- 15.4 **Headings.** No headings in this Agreement affect its interpretation.
- 15.5 **Electronic Copy.** The parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for

which the original signature may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of law based solely on the absence of an original signature.

The parties execute this Agreement in duplicate originals by their duly authorized officers or representatives.

THE BOARD OF TRUSTEES OF THE LELAND
STANFORD JUNIOR UNIVERSITY

Signature _____
Name _____
Title _____
Date _____

COMPANY

Signature _____
Name _____
Title _____
Date _____