SOFTWARE LICENSE AGREEMENT

Effective as of __________________ the Board of Trustees of the Leland Stanford Junior University, a body having corporate powers under the laws of the State of California (hereinafter "STANFORD"), and ________________________, a ______ corporation having a primary place of business at ___________________________ (hereinafter "LICENSEE"), agree as follows:

1. BACKGROUND

1.1 Certain software, known as SOFTWARE, was developed at STANFORD with grant support from the U.S. Government.

1.2 STANFORD wishes to grant licenses to SOFTWARE in order that it become available for public use and benefit.

1.3 LICENSEE, a firm with expertise in software development and marketing, wishes to acquire a license to use, develop, and market SOFTWARE solely in the field of use of ________________.

1.4 STANFORD has distributed SOFTWARE to certain organizations with no provision for support on a nonexclusive, nontransferable basis.

1.5 STANFORD has certain rights to the mark "____________" based on STANFORD's use of the mark to identify SOFTWARE.

2. DEFINITIONS

2.1 "SOFTWARE" means those source code and binary files known as SOFTWARE, including the SOFTWARE Users Guide, and any other material relating to SOFTWARE which will be provided to LICENSEE pursuant to this Agreement.

2.2 "Licensed Program(s)" means those computer programs developed by LICENSEE in the Licensed Field of Use, including manuals and related documentation, which include a material portion of, or which are derived from, SOFTWARE.
2.3 "Use Sublicense(s)" means any agreement or arrangement between LICENSEE and any customer for the use of Licensed Program(s) on a single ________.

2.4 "Licensed Field of Use" means ________________.

2.5 "Net Receipts" means the gross payments from granting Use Sublicense(s) at the time they are received by LICENSEE, after quantity discounts actually allowed. Net Receipts excludes the following items as separately charged to customers; packing, transportation and insurance charges, import, export, excise, sales, and value added taxes, customs duties, travel and labor charges for installation and maintenance of the Licensed Program(s), and fees received for any programs which are not Licensed Program(s).

3. GRANT

3.1 STANFORD grants, and LICENSEE accepts:

   (a) A nonexclusive license to use, copy, and modify SOFTWARE as part of the development of Licensed Program(s);

   (b) A worldwide, nonexclusive license to grant Use Sublicense(s) to SOFTWARE as part of Licensed Program(s) solely in the Licensed Field of Use.

3.2 The above licenses in Paragraph 3.1 shall terminate ____________, unless earlier terminated in accordance with Article 12 hereof. STANFORD retains all rights in tangible and intangible property provided to LICENSEE.

3.3 LICENSEE agrees:

   (a) To maintain the quality of SOFTWARE and otherwise to do such things as are reasonably necessary for the protection and maintenance of the "SOFTWARE" mark in connection with its use thereof;

   (b) To affix an appropriate notice of copyright to all copyrightable materials licensed under Paragraph 3.1 hereof, and to do such things as are reasonable to protect and preserve STANFORD's rights in such copyrights;
(c) To exercise due care in protecting SOFTWARE from disclosure to third parties, at least to the degree it exercises care in protecting its own proprietary information; and

(d) To take appropriate action with its employees, consultants, and sublicensee(s) to satisfy its obligation under this Agreement with respect to maintaining the above degree of protection for SOFTWARE.

However, LICENSEE shall have no confidentiality obligations with respect to any information if the same or similar information is or becomes within the public domain through no act of LICENSEE in breach of this Agreement, is independently developed by LICENSEE, or is received unrestricted from another source who was not under an obligation of confidentiality to STANFORD.

3.4 LICENSEE agrees that the source code is for internal use only and that when sublicensing only object code in binary form will be distributed.

3.5 STANFORD shall have the right to use SOFTWARE for its own bona fide research, including sponsored research and collaborations. STANFORD shall have the right to publish any information included in SOFTWARE.

4. ENHANCEMENTS BY LICENSEE

During the period of this Agreement, subject to mutually agreeable terms, STANFORD may obtain from LICENSEE, any enhancements made by LICENSEE to SOFTWARE. STANFORD agrees not to further distribute such enhancements without the prior written consent of LICENSEE.

5. COMMERCIAL APPLICATION (DILIGENCE)

LICENSEE agrees to use all reasonable efforts and diligence to proceed with the development, manufacture, and sublicensing of Licensed Program(s) and to diligently develop markets for the Licensed Program(s).

6. GOVERNMENT RIGHTS

STANFORD may distribute all of SOFTWARE, for such use or further distribution as may be reserved, required, or permitted by said U.S. Government grants or any applicable law or regulation or contractual obligation of STANFORD relating thereto,
and LICENSEE agrees to take all action necessary on its part as licensee of STANFORD to enable STANFORD to comply with such obligations. LICENSEE is not otherwise required by this Agreement to provide any services related to such distribution.

7. ROYALTIES

7.1 In consideration of the licenses granted herein, LICENSEE shall pay to STANFORD a license issue royalty of _______ Thousand Dollars ($____).

7.2 Beginning _____________ and each _____________ thereafter, LICENSEE also shall pay a minimum annual royalty of _______ Dollars ($__). Said minimum royalty payments are nonrefundable, but they are creditable against earned royalties to the extent provided in Paragraph 7.4.

7.3 In addition, LICENSEE shall pay royalties to STANFORD on Net Receipts as follows:

7.4 Creditable payments under this Agreement shall be an offset to LICENSEE against each earned royalty payment which LICENSEE would be required to pay pursuant to Paragraph 7.3 until the entire credit is exhausted.

7.5 The royalty on sales in currencies other than U.S. Dollars shall be calculated using the appropriate exchange rate for such currency quoted by the Bank of America (San Francisco), foreign exchange desk, on the close of business on the last banking day of each payment period. Royalty and payments to STANFORD shall be in U.S. Dollars and shall be net of all non-U.S. taxes.

8. REPORTS, PAYMENTS AND ACCOUNTING

8.1 LICENSEE agrees to make written reports and royalty payments to STANFORD on January 31, April 30, July 31, and October 31 and for the previous calendar quarter for so long as royalties are due. For the period being reported, LICENSEE will provide:

(a) The number of Use Sublicense(s) granted for Licensed Program(s);

(b) Descriptions of Licensed Program(s) sublicensed;
(c) Name of sublicensee(s); and
(d) Total royalties due.

Concurrent with the issuance of each report, LICENSEE shall pay STANFORD the royalties due for the period covered by such report. Reports are required even if no royalties are due.

8.2 Upon the request and at the expense of STANFORD, the accounting records maintained by LICENSEE for the purpose of establishing the royalty payments under this Agreement shall be subject, at all reasonable times, to audit by auditor(s) acceptable to both parties for the purposes of determining and verifying the royalty payments made under this Agreement. STANFORD audit personnel may review LICENSEE's accounting firm's work papers and discuss with the firm the result of any audit, including but not limited to, the basis of judgments reached and the appropriateness of royalty payments made. Such audits shall be performed no more frequently than once every twelve (12) months during the term of this Agreement. In addition, STANFORD may have such an audit performed at any time within three (3) years following termination of this Agreement. In the event that the results of the audit reveal a discrepancy in LICENSEE's favor of five thousand dollars or more, then the audit fees shall be paid by LICENSEE.

8.3 LICENSEE agrees to conduct an independent audit of sales and royalties at least every two years if annual sales of the Licensed Product(s) are over five (5) million dollars. The audit shall address, at a minimum, the amount of gross sales by or on behalf of LICENSEE during the audit period, the amount of funds owed to STANFORD under this Agreement, and whether the amount owed has been paid to STANFORD and is reflected in the records of the LICENSEE. A report by the auditor shall be submitted promptly to STANFORD on completion. LICENSEE shall pay for the entire cost of the audit.

9. INDEMNITY AND DISCLAIMER OF WARRANTIES

9.1 STANFORD MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED. By way of example, but not limitation, STANFORD MAKES NO REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR THAT THE USE OF
SOFTWARE WILL NOT INFRINGE ANY PATENTS, COPYRIGHTS, TRADEMARKS, OR OTHER RIGHTS. STANFORD shall not be LIABLE for any liability or damages with respect to any claim by LICENSEE or any third party on account of, or arising from the license, or any Use Sublicense(s) or use of SOFTWARE.

9.2 LICENSEE agrees to indemnify, hold harmless, and defend STANFORD and its trustees, officers, employees, students, and agents against any and all claims arising out of the exercise of any rights under this Agreement, including, without limiting the generality of the foregoing, against any damages, losses, or liabilities whatsoever with respect to death or injury to person or damage to property arising from or out of the possession, use, or operation of SOFTWARE or Licensed Program(s) by LICENSEE or its customers.

10. PROMOTIONAL ADVERTISING

LICENSEE agrees not to identify STANFORD in any promotional advertising or other promotional materials to be disseminated to the public or any portion thereof or to use the name of any nonconsenting STANFORD faculty member, employee, or student, or any trademark, service mark, trade name, or symbol of STANFORD or the Stanford Health Services, or that is associated with either of them, without STANFORD’s prior written consent. Any use of either party’s name shall be limited to statements of fact and shall not imply endorsement of the other’s products or services.

11. SUBLICENSE(S)

11.1 Each Use Sublicense(s) shall maintain that the Use Sublicensee(s)’s rights in SOFTWARE and Licensed Program(s) shall not be transferable and shall not be sold, or further licensed.

11.2 Upon request by STANFORD, LICENSEE agrees to provide to STANFORD the general terms and conditions used in sublicensing the Licensed Program(s).

11.3 Under a sublicense permitted by this Agreement, LICENSEE may only agree to receive tangible items of value in lieu of cash payments with the prior written consent of Stanford. Stanford will not unreasonably withhold consent.
11.4 It is understood that the Use Sublicense(s) entered into by LICENSEE during the term of this Agreement may have a duration extending beyond the expiration of this Agreement.

11.5 After termination of this Agreement, for whatever reason, LICENSEE retains the right to use SOFTWARE internally to service its existing sublicensee(s).

12. TERMINATION

12.1 This Agreement may be terminated by LICENSEE upon thirty (30) days written notice to STANFORD.

12.2 This Agreement may be terminated by STANFORD:

   (a) If after at least thirty (30) days written notice by STANFORD as to the nature of noncompliance to any terms of this Agreement, LICENSEE is still in noncompliance; or

   (b) Upon written notice by STANFORD if LICENSEE shall cease for a period of greater than two (2) years to enter into new Use Sublicense(s) for Licensed Program(s). Such termination shall be without prejudice to any rights, obligations, or liabilities already accrued prior to such termination.

12.3 Surviving any termination are:

   (a) LICENSEE's obligation to pay royalties accrued or accruable;

   (b) The provisions of Articles 8, 9, and 10; and

   (c) Any cause of action or claim of LICENSEE or STANFORD, accrued or to accrue, because of any breach or default by the other party.

13. EXPORT

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

   (a) SOFTWARE or any portion thereof;
(b) Any direct product (including equipment, processes, or services) produced by use of SOFTWARE; or

(c) Any product of a complete plant or of a major component of a plant when such complete plant or such major component is the direct product of SOFTWARE.

14. ASSIGNMENT

This Agreement may not be assigned.

15. ARBITRATION

15.1 Any controversy arising under or related to this Agreement, and any disputed claim by either party against the other under this Agreement excluding any dispute relating to the copyright validity or infringement arising under this Agreement, shall be settled by arbitration in accordance with the Licensing Agreement Arbitration Rules of the American Arbitration Association. Upon request of either party, arbitration will be by:

   (a) A third party arbitrator mutually agreed upon in writing by LICENSEE and STANFORD within thirty (30) days of such arbitration request; or

   (b) A member of the American Arbitration Association.

Judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction thereof.

15.2 The parties shall be entitled to discovery in like manner as if the arbitration were a civil suit in the California Superior Court.

15.3 Any arbitration under this article hereof shall be held at Stanford, California, unless the parties hereto mutually agree in writing to another place.

16. NOTICES

All notices shall be deemed to have been fully given when done in writing and deposited in the United States mail, registered or certified, and addressed as follows:
Either party may change its address upon written notice to the other party.

17. WAIVERS

None of the terms, covenants, and conditions of this Agreement can be waived except by the written consent of the party waiving compliance.
18. SCOPE OF THE AGREEMENT

This Agreement is the only Agreement between the parties pertaining to the subject matter hereof and supersedes all prior negotiations, documents, agreements, and representations.

19. APPLICABLE LAW

This Agreement shall be construed, interpreted, and applied in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties hereto have executed 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 ________________________________

LICENSEE

Signature ________________________________
Name ________________________________
Title ________________________________
Date ________________________________