

**UC Davis Sample Template**

**For**

**Exclusive Patent License Agreement**

Note: Attached is a University of California, Davis sample template for a License Agreement providing an exclusive license under University of California patent rights. The template is presented here on a non-binding basis, and without obligation of any kind, in order to show typical general terms and a typical starting point for preparation of a License Agreement. The actual terms for any given License Agreement will be modified, and additional clauses and text will be inserted, as appropriate to fit the specifics of the situation, including with respect to the invention, the patent rights, the licensee, the market, and other relevant facts. All License Agreements are subject to approval by University of California Office of the President.

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**EXCLUSIVE LICENSE AGREEMENT**

**BETWEEN**

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**AND**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

**FOR**

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UC Case No.:

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**EXCLUSIVE LICENSE AGREEMENT FOR**

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UC Case No.:

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This exclusive license agreement ("Agreement") is effective \_\_\_\_\_ ("Effective Date"), by and between (a) The Regents of the University of California ("The Regents"), a California corporation, having its statewide administrative offices at 1111 Franklin Street, 12th Floor, Oakland, California 94607-5200, acting through UC Davis InnovationAccess, with an address at 1850 Research Park Drive, Suite 100, Davis, California 95618-6153 and (b) \_\_\_\_\_ ("Licensee"), a \_\_\_\_\_ corporation having a principal place of business at \_\_\_\_\_. The Regents and Licensee will be referred to herein, on occasion, individually as "Party" or collectively as "Parties".

**RECITALS**

Whereas, The Regents has an assignment of title to the invention entitled " \_\_\_\_\_ " (the "Invention"), as described in The Regents' Case No. \_\_\_\_\_, invented by \_\_\_\_\_, Ph.D., employed by the University of California, Davis and to the patents and patent applications under Patent Rights as defined below, which are directed to the Invention;

Whereas, The Regents and Licensee entered into a Confidentiality Agreement (UC Agreement Control No. \_\_\_\_\_) effective \_\_\_\_\_ ("Confidentiality Agreement"), for the purpose of allowing Licensee to evaluate its interest in a license agreement covering the Invention;

Whereas, Licensee has provided The Regents with a commercialization plan for the Invention in order to allow The Regents to evaluate Licensee's capabilities;

Whereas, The Regents and Licensee desire to have the Invention developed and commercialized so that products resulting therefrom may be available for public use and benefit; and

Whereas, Licensee desires to acquire, and The Regents desires to grant, a license under Patent Rights to make, use, sell, offer for sale, and import products, methods, and services in accordance with the terms herein.

Now, therefore, the Parties agree as follows:

**1. DEFINITIONS**

1.1 "Affiliate" of Licensee (or of a Sublicensee, respectively) means any entity that, as of the applicable point in time during the term of this Agreement, directly or indirectly Controls Licensee (or a Sublicensee, respectively), is Controlled by Licensee (or a Sublicensee, respectively), or is under common Control with Licensee (or a Sublicensee, respectively). "Control" means (a) having the actual, present capacity to elect a majority of the directors of such entity, (b) having the power to direct at least fifty percent (50%) of the voting rights entitled to elect directors of such entity, or (c) in any country where the local law will not permit foreign equity participation of a majority of the outstanding stock or voting rights of such entity, the ownership or control, directly or indirectly, of the maximum percentage of such outstanding stock or voting rights permitted by local law.

1.2 "Licensed Field of Use" means \_\_\_\_\_.

1.3 "Licensed Method" means any process or method the use or practice of which, (a) but for the license granted pursuant to this Agreement, would infringe, or contribute to or induce the

infringement of, a Valid Claim of any issued, unexpired patent under Patent Rights, or (b) is covered by a claim in a pending patent application under Patent Rights. As used in Subparagraph (b) of this Paragraph 1.3, "covered by a claim in a pending patent application" means that such use or practice would, but for the license granted pursuant to this Agreement, constitute infringement, contributory infringement, or inducement of infringement, of such claim if such claim were issued.

- 1.4 "Licensed Product" means any product, material, kit, or other article of manufacture or composition of matter, the making, use, Sale, offer for Sale, or import of which (a) but for the license granted pursuant to this Agreement, would infringe, or contribute to or induce the infringement of, a Valid Claim of any issued, unexpired patent under Patent Rights, or (b) is covered by a claim in a pending patent application under Patent Rights. As used in Subparagraph (b) of this Paragraph 1.4, "covered by a claim in a pending patent application" means that such making, use, Sale, offer for Sale, or import would, but for the license granted pursuant to this Agreement, constitute infringement, contributory infringement, or inducement of infringement, of such claim if such claim were issued.
- 1.5 "Licensed Service" means a service provided using Licensed Products or Licensed Methods, including, without limitation, any such service provided in the form of contract research or other research performed by Licensee on behalf of a third party.
- 1.6 "Licensed Territory" means the United States and its territories and possessions, and any foreign countries where Patent Rights exist.
- 1.7 "Net Sales" means the gross invoice price charged by, and the value of non-cash consideration owed to, Licensee or a Sublicensee for Sales of Licensed Products and Licensed Services, less the sum of the following actual and customary deductions to the extent applicable: (a) cash, trade or quantity discounts; (b) sales, use, tariff, import or export duties, or other excise taxes, when included in Sales, but not value-added taxes assessed on (or income taxes derived from) such Sales; and (c) allowances or credits to customers because of rejections or returns. For purposes of calculating Net Sales, a Sale by Licensee to a Sublicensee for end use by the Sublicensee will be treated as a Sale at Licensee's list price.
- 1.8 "Patent Rights" means The Regents' rights in the claims of the following: \_\_\_\_\_, entitled "\_\_\_\_\_", and "\_\_\_\_\_", filed on \_\_\_\_\_ and \_\_\_\_\_, respectively, by Drs. \_\_\_\_\_ and assigned to The Regents; continuing applications thereof, including divisions, substitutions, extensions and continuation-in-part applications (only to the extent, however, that claims in the continuation-in-part applications are entitled to the priority filing date of the applicable above-listed parent patent application); patents issuing on said applications or continuing applications; reissues of such patents; and corresponding foreign patents or applications of any of the foregoing.
- 1.9 "Sale" means the act of selling, leasing, or otherwise transferring or providing Licensed Products and Licensed Services for any consideration. Correspondingly, "Sell" means to make or cause to be made a Sale, and "Sold" means to have made or caused to be made a Sale.
- 1.10 "Sublicense" means a sublicense under this Agreement.
- 1.11 "Sublicensee" means a sublicensee under this Agreement.
- 1.12 "Sublicense Agreement" means a sublicense agreement under this Agreement.
- 1.13 "Valid Claim" means a claim of a patent in any country, which claim (a) has not expired and (b) has not 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. GRANT

- 2.1 Subject to the limitations set forth in this Agreement, including, without limitation, the rights reserved in Paragraph 2.2, The Regents hereby grants to Licensee an exclusive license under Patent Rights, in the Licensed Field of Use in the Licensed Territory, (a) to make, use, offer for Sale, import, and Sell Licensed Products and Licensed Services, and (b) to practice Licensed Methods.
- 2.2 The Regents reserves the right to do any one or more of the following:
- (a) publish any technical data resulting from research performed by The Regents relating to the Invention;
  - (b) make, use, and import the Invention and associated technology for educational and research purposes;
  - (c) practice Patent Rights for educational and research purposes, including in order to make, use, and import products, and in order to use and practice methods; and
  - (d) allow other educational and non-profit institutions to do any one or more of the activities of Subparagraphs (a), (b), and (c) of this Paragraph 2.2, for educational and research purposes.

## 3. SUBLICENSES

- 3.1 The Regents hereby further grants to Licensee the right to grant to Affiliates of Licensee, to Affiliates of Sublicensees, and to third parties a Sublicense under the rights granted to Licensee hereunder, provided that Licensee has exclusive rights under this Agreement at the time of the grant of the Sublicense. Every Sublicense will include:
- (a) a statement setting forth the date upon which Licensee's exclusive license rights hereunder will expire;
  - (b) a provision requiring the performance by the Sublicensee of all the obligations owed by Licensee to The Regents under this Agreement other than those rights and obligations specified in Article 4 (License Issue Fee/Maintenance Fees) and Paragraph 5.3 (Minimum Annual Royalty);
  - (c) a provision requiring payment of royalties to Licensee in an amount sufficient to permit Licensee to meet Licensee's royalty obligations to The Regents at the rates and bases set forth in this Agreement;
  - (d) a prohibition on the grant of further Sublicenses; and
  - (e) a provision imposing on the Sublicensee the same obligation of indemnification which Licensee has under Article 18 (Indemnification).
- 3.2 Licensee will pay to The Regents twenty-five percent (25%) of any cash consideration, and of the cash equivalent of all other consideration, which is due to Licensee for the grant of rights under a Sublicense, excluding payments due to Licensee as a royalty based on Sales by the Sublicensee. Payment owed to The Regents under this Paragraph 3.2 is in addition to payments owed by Licensee to The Regents as Earned Royalties under Paragraph 5.1 below based on Sales by the Sublicensee.
- 3.3 Within thirty (30) days of execution of each Sublicense Agreement, or amendment thereof, Licensee will inform The Regents of such executed Sublicense Agreement or amendment, and Licensee will furnish to The Regents a copy of such Sublicense Agreement or amendment.
- 3.4 Affiliates of Licensee and Affiliates of Sublicensees will have no licenses under Patent Rights except as granted by Licensee in a Sublicense pursuant to this Agreement.
- 3.5 For the purposes of this Agreement, the operations of Sublicensees under their respective Sublicense Agreements will be deemed to be the operations of Licensee, for which Licensee will be responsible.

- 3.6 Licensee will collect and guarantee payment of all monies and other consideration due The Regents under this Agreement from Sublicensees.
- 3.7 Upon termination of this Agreement for any reason, at The Regents' discretion, all Sublicenses that are granted by Licensee pursuant to this Agreement, where the Sublicensee is in compliance with its Sublicense Agreement as of the date of such termination, will remain in effect and will be assigned to The Regents, except that The Regents will not be bound to perform any obligations set forth in any Sublicenses that extend beyond the obligations of The Regents set forth in this Agreement.

#### 4. LICENSE ISSUE FEE/MAINTENANCE FEES

- 4.1 Licensee will pay to The Regents a non-creditable, non-refundable license issue fee ("License Issue Fee") of \_\_\_\_\_ dollars (\$\_\_\_\_\_) due upon execution of this Agreement. The License Issue Fee is non-refundable and not an advance against royalties or other payments due under this Agreement.
- 4.2 Licensee will pay to The Regents a license maintenance fee of \_\_\_\_\_ dollars (\$\_\_\_\_\_) by the one-year anniversary of the Effective Date and by each anniversary of the Effective Date thereafter until the calendar year immediately following the calendar year in which the first Sale of Licensed Products or Licensed Services takes place.

#### 5. ROYALTIES

- 5.1 Licensee will pay to The Regents earned royalties ("Earned Royalties") at the rate of \_\_\_\_\_ percent (\_\_\_\_%) of the Net Sales of all Licensed Products and Licensed Services.
- 5.2 Earned Royalties accruing to The Regents will be paid to The Regents, to be accompanied by the corresponding royalty report as required in Paragraph 7.4, quarterly within sixty (60) days after the end of each calendar quarter as follows: May 31 (for first quarter), August 31 (for second quarter), November 30 (for third quarter), and February 28 (for fourth quarter).
- 5.3 Beginning in the calendar year immediately following the calendar year in which the first Sale of Licensed Products or Licensed Services takes place, and in each calendar year thereafter, Licensee will pay to The Regents a minimum annual royalty ("Minimum Annual Royalty") of \_\_\_\_\_ dollars (\$\_\_\_\_\_) for the life of this Agreement. The Minimum Annual Royalty will be paid to The Regents by February 28 of each year and will be credited against the Earned Royalties due and owing for the calendar year for which the Minimum Annual Royalty is made.
- 5.4 All payments due The Regents will be payable in United States dollars. When Licensed Products and Licensed Services are Sold for monies other than United States dollars, Earned Royalties will first be determined in the foreign currency of the country in which the Sale was made and then converted into equivalent United States dollars. The exchange rate will be that rate quoted in the *Wall Street Journal* on the last business day of the reporting period.
- 5.5 Earned Royalty payments due to The Regents for Sales occurring in any country outside the United States will not be reduced by any taxes, fees, or other charges imposed by the government of such country on the remittance of royalty income. Licensee will also be responsible for all bank transfer charges for payments to The Regents.
- 5.6 Licensee will make all payments under this Agreement either by check or electronic transfer, payable to "The Regents of the University of California" and Licensee will forward such payments to The Regents at the address shown in Paragraph 23.1.

- 5.7 If any patent or patent application, or any claim thereof, included within Patent Rights expires, or is held invalid or unpatentable in a final decision by a court of competent jurisdiction and last resort and from which no appeal has been or can be taken, all obligations to pay Earned Royalties based on such patent, patent application, or claim will cease as of the date of such expiration or final decision. Licensee will not, however, be relieved from paying any Earned Royalties that accrued before such expiration or final decision or that are based on another patent, patent application, or claim within Patent Rights which is not expired, or which is not held invalid or unpatentable in such final decision.

## 6. DILIGENCE

- 6.1 Licensee will diligently proceed with the development, manufacture, marketing, and Sale of Licensed Products and Licensed Services in quantities sufficient to meet the market demand.
- 6.2 In addition to Licensee's obligations under Paragraph 6.1, Licensee will accomplish the following milestones in Licensee's activities under this Agreement:

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- 6.3 If Licensee is unable to meet any of its diligence obligations set forth in Paragraphs 6.1 and 6.2, then The Regents will so notify Licensee of failure to perform. Licensee will have the right and option to extend the target date of any such diligence obligation for a period of six (6) months upon the payment of Five Thousand dollars (\$5,000) within the thirty (30)-day period prior to the date to be extended, for each such extension option exercised by Licensee. Licensee may further extend the target date of any diligence obligation for an additional six (6) months upon payment of an additional Five Thousand dollars (\$5,000). Additional extensions may be granted only by written agreement of the Parties. These payments are in addition to any other payments owed under this Agreement. Should Licensee opt not to extend the obligation or fail to meet the obligation by the extended target date, then The Regents will have the right and option either to terminate this Agreement or to reduce Licensee's exclusive license to a non-exclusive license. This right, if exercised by The Regents, supersedes the rights granted in Article 2 (Grant).
- 6.4 To exercise either the right to terminate this Agreement or to reduce the license to a non-exclusive license for lack of diligence under Paragraph 6.1 or 6.2, The Regents will give Licensee written notice of the deficiency. Licensee thereafter will have sixty (60) days to cure the deficiency. If The Regents has not received satisfactory written evidence that the deficiency has been cured by the end of the sixty (60)-day period, then The Regents may, at its option, either terminate the Agreement or reduce Licensee's exclusive license to a non-exclusive license by giving written notice to Licensee. These notices will be subject to Article 22 (Notices).

## 7. PROGRESS AND ROYALTY REPORTS

- 7.1 For the six (6)-month period beginning \_\_\_\_\_, within sixty (60) days of each June 30 and December 31 following the end of such six (6)-month period, Licensee will submit to The Regents a semi-annual progress report covering Licensee's activities related to the development and testing of Licensed Products, Licensed Services, and Licensed Methods, including the obtaining of necessary governmental approvals, if any, for marketing in the United States. These progress reports will be made until the first Sale occurs in the United States.
- 7.2 Each progress report will be a sufficiently detailed summary of activities of Licensee and any Sublicensees so that The Regents may evaluate and determine Licensee's progress in the development of Licensed Products, Licensed Services, and Licensed Methods, and in meeting Licensee's diligence obligations under Article 6, and will include (but not be limited to) the following: (a) summary of work completed and in progress; (b) current schedule of anticipated events and milestones, including diligence milestones under Paragraph 6.2; (c) anticipated



market introduction dates for the Licensed Territory; and (d) Sublicensees' activities during the reporting period.

- 7.3 In Licensee's progress report immediately subsequent to the first Sale of a Licensed Product or a Licensed Service by Licensee or by a Sublicensee, Licensee will report the date of such first Sale.
- 7.4 After the first Sale of a Licensed Product or a Licensed Service, Licensee will make quarterly royalty reports to The Regents, to be accompanied by the corresponding Earned Royalty payment as required in Paragraph 5.2, within sixty (60) days after the quarters ending March 31, June 30, September 30, and December 31, of each year. Each such royalty report will include at least the following:
- (a) the volume of Licensed Products and Licensed Services Sold;
  - (b) gross revenue from Sale of Licensed Products and Licensed Services;
  - (c) Net Sales pursuant to Paragraph 1.7, and the calculation of Net Sales, including all deductions taken, so that The Regents can confirm the calculation;
  - (d) total Earned Royalties due The Regents; and
  - (e) names and addresses of Sublicensees for any new Sublicenses entered into during the reporting quarter.
- 7.5 If no Sales of Licensed Products or Licensed Services have occurred during the report period, the royalty report will contain a statement to this effect.

## **8. BOOKS AND RECORDS**

- 8.1 Licensee will keep full, true, and accurate books of accounts containing all particulars that may be necessary for the purpose of showing (a) the amount of Earned Royalties payable to The Regents, and (b) Licensee's compliance with obligations under this Agreement. For five (5) years following the end of the calendar year to which they pertain, said books and the supporting data will be open, during normal business hours upon reasonable notice, to the inspection and audit by representatives of The Regents for the purpose of verifying Licensee's royalty reports or compliance in other respects with this Agreement. Such representatives will be required to hold all information in confidence except as necessary to communicate Licensee's non-compliance with this Agreement to The Regents.
- 8.2 The fees and expenses of The Regents' representatives performing such an examination will be borne by The Regents, provided that if an error in underpaid royalties to The Regents of more than five percent (5%) of the total Earned Royalties due for any year is discovered, then the fees and expenses of these representatives in conducting such examination will be borne by Licensee.

## **9. LIFE OF THE AGREEMENT**

- 9.1 Unless otherwise terminated by operation of law or by acts of the Parties in accordance with the terms of this Agreement, this Agreement will be in effect from the Effective Date and will remain in effect for the life of the last-to-expire patent or last-to-be-abandoned patent application licensed under this Agreement, whichever is later.
- 9.2 Any termination of this Agreement will not affect the rights and obligations set forth in the following:

Article 1	Definitions
Article 3	Sublicenses
Paragraph 4.1	License Issue Fee
Article 8	Books and Records
Article 9	Life of the Agreement
Article 12	Disposition of Licensed Products Upon Termination
Article 15	Use of Names and Trademarks

Article 16	Limited Warranties
Article 18	Indemnification
Article 22	Notices
Article 23	Payments
Article 25	Confidentiality
Article 28	Applicable Law; Venue; Attorneys' Fees
Article 29	Scope of Agreement

- 9.3 Any termination of this Agreement will not relieve Licensee of Licensee's obligation to pay any payment due or owing at the time of such termination and will not relieve any obligations, owed by either Party to the other Party, established prior to termination.

## **10. TERMINATION BY THE REGENTS**

- 10.1 If Licensee should violate or fail to perform any term of this Agreement, then The Regents may give written notice of such default ("Notice of Default") to Licensee. If Licensee should fail to repair such default within sixty (60) days of the effective date of such notice, The Regents will have the right to terminate this Agreement and the licenses herein by a second written notice ("Notice of Termination") to Licensee. If a Notice of Termination is sent to Licensee, this Agreement will automatically terminate on the effective date of such notice. Such termination will not relieve Licensee of Licensee's obligation to pay any royalty or license fees owing at the time of such termination and will not impair any accrued rights of The Regents. These notices will be subject to Article 22 (Notices).
- 10.2 Notwithstanding Paragraph 10.1, this Agreement will terminate immediately, if Licensee files a claim including in any way the assertion that any portion of Patent Rights is invalid or unenforceable, where the filing of such claim is by Licensee, by a third party on behalf of Licensee, or by a third party at the urging of Licensee.
- 10.3 Notwithstanding Paragraph 10.1, this Agreement will terminate immediately in the event of the filing of a petition for relief under the United States Bankruptcy Code by or against Licensee as a debtor or alleged debtor.

## **11. TERMINATION BY LICENSEE**

- 11.1 Licensee will have the right at any time to terminate this Agreement in whole or as to any portion of Patent Rights by giving notice in writing to The Regents. Such notice of termination will be subject to Article 22 (Notices) and such termination of this Agreement in whole or in part will be effective ninety (90) days after the effective date of such notice of termination.
- 11.2 Any termination pursuant to Paragraph 11.1 will not relieve Licensee of any obligation or liability accrued hereunder prior to such termination or rescind anything done by Licensee or any payments made to The Regents hereunder prior to the time such termination becomes effective, and such termination will not affect in any manner any rights of The Regents arising under this Agreement prior to such termination.

## **12. DISPOSITION OF LICENSED PRODUCTS UPON TERMINATION**

- 12.1 Upon termination of this Agreement, for a period of one hundred and twenty (120) days after the date of termination, Licensee may complete the making of, and may Sell, any partially made Licensed Products, and Licensee may continue the practice of Licensed Methods only to the extent necessary to do the foregoing; provided that all such Sales will be subject to the terms of this Agreement including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon.

### **13. PATENT PROSECUTION AND MAINTENANCE**

- 13.1 The Regents will prosecute and maintain the patent applications and patents under Patent Rights, subject to Licensee's reimbursement of The Regents' out-of-pocket costs under Paragraph 13.3. All patent applications and patents under Patent Rights will be held in the name of The Regents. The Regents will have sole responsibility for retaining and instructing patent counsel. The Regents will promptly provide Licensee with copies of all official patent office correspondence, and Licensee agrees to keep this documentation confidential in accordance with Article 25 (Confidentiality). Licensee may comment upon such documentation, and The Regents will take such comments into account, provided that if Licensee has not commented upon such documentation in reasonable time for The Regents to sufficiently consider Licensee's comments prior to the deadline for filing a response with the relevant government patent office, The Regents will be free to respond appropriately without consideration of Licensee's comments.
- 13.2 The Regents will use reasonable efforts to prepare or amend any patent application within Patent Rights to include claims reasonably requested by Licensee to protect the Licensed Products or Licensed Services contemplated to be Sold or Licensed Methods to be practiced under this Agreement.
- 13.3 Subject to Paragraph 13.4, all past, present, and future costs for preparing, filing, prosecuting, and maintaining all patent applications and patents under Patent Rights (including, without limitation, the cost of interferences, reexaminations, oppositions, post-grant review, inter partes review, supplemental examinations, and other patent office administrative proceedings, and their appeals), which have not been previously reimbursed to The Regents, will be paid by Licensee, so long as the licenses granted to Licensee herein are exclusive. Such payments by Licensee for such costs are due within thirty (30) days after receipt by Licensee of invoice from The Regents. If, however, The Regents reduces the exclusive licenses granted herein to non-exclusive licenses pursuant to Paragraph 6.3 or Paragraph 6.4, and The Regents grants one or more additional licenses, the subsequent costs of preparing, filing, prosecuting, and maintaining such patent applications and patents will be divided equally among the licensed parties from the effective date of each subsequently granted license agreement.
- 13.4 Licensee's obligation to pay all patent preparation, filing, prosecution, and maintenance costs for Patent Rights will continue for so long as this Agreement remains in effect, provided that Licensee may terminate Licensee's obligations with respect to any given patent application or patent under Patent Rights in any designated country upon three (3) months' written notice to The Regents. In the event of such notice to The Regents, The Regents will undertake to curtail applicable patent costs billable to Licensee. The Regents may continue prosecution and maintenance of such patent applications or patents at The Regents' sole discretion and expense, provided that Licensee will have no further right or licenses thereunder.

### **14. MARKING**

- 14.1 Licensee will mark all Licensed Products made, used, offered for Sale, imported, or Sold under this Agreement, or their containers, in accordance with applicable patent marking laws.

### **15. USE OF NAMES AND TRADEMARKS**

- 15.1 Nothing contained in this Agreement will be construed as conferring upon either Party any right to use in advertising, publicity, or other promotional activities any name, trademark, trade name, or other designation of the other Party (including any contraction, abbreviation, or simulation of any of the foregoing). Unless required by law or consented to in writing by The Regents, Licensee will not use the name "The Regents of the University of California" or the name of any University of California campus in advertising, publicity, or other promotional activities.

## 16. LIMITED WARRANTIES

- 16.1 The Regents warrants to Licensee that The Regents has the lawful right to grant this license.
- 16.2 This license and the associated rights to the Invention are provided to Licensee WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. THE REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT PRACTICE OF THE INVENTION OR PATENT RIGHTS (INCLUDING MAKING, USING, SELLING, OFFERING TO SELL, OR IMPORTING LICENSED PRODUCTS, LICENSED SERVICES, OR LICENSED METHODS) WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.
- 16.3 IN NO EVENT WILL THE REGENTS BE LIABLE FOR ANY INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES RESULTING FROM EXERCISE OF THIS LICENSE OR A SUBLICENSE, OR THE USE OF THE INVENTION, PATENT RIGHTS, LICENSED METHODS, LICENSED SERVICES, OR LICENSED PRODUCTS.
- 16.4 Nothing in this Agreement is or will be construed as:
- (a) a warranty or representation by The Regents as to the patentability, validity, enforceability, or scope of Patent Rights;
  - (b) a warranty or representation that anything made, used, Sold, offered for Sale, or imported under any license granted in this Agreement is or will be free from infringement of patents of third parties;
  - (c) an obligation to bring or prosecute actions or suits against third parties for patent infringement;
  - (d) conferring by implication, estoppel, or otherwise any license or rights under any patent applications or patents of The Regents other than Patent Rights, regardless of whether such patent applications or patents are dominant or subordinate to Patent Rights; or
  - (e) an obligation to furnish any know-how not provided in the patents and patent applications under Patent Rights.

## 17. PATENT INFRINGEMENT

- 17.1 In the event that Licensee learns of the substantial infringement of any Patent Rights, Licensee will promptly provide The Regents with notice and reasonable evidence of such infringement ("Infringement Notice"). During the time period and in a jurisdiction where Licensee has exclusive rights under this Agreement, neither Party will notify a third party, including the infringer, of the infringement without first obtaining consent of the other Party, which consent will not be unreasonably withheld. The Parties will use diligent efforts, in cooperation with each other, to terminate such infringement without litigation.
- 17.2 (a) If such infringing activity has not been abated within ninety (90) days following the effective date of the Infringement Notice, Licensee may initiate suit for patent infringement against the infringer. The Regents may voluntarily join as a party in such suit at The Regents' expense, but The Regents may not thereafter separately initiate suit against the infringer for the acts of infringement that are the subject of Licensee's suit or any judgment rendered in that suit. Licensee may not cause The Regents to be joined as a party in a suit initiated by Licensee without The Regents' prior written consent. If, in a suit initiated by Licensee, The Regents is involuntarily caused to be joined as a party, Licensee will pay any costs incurred by The Regents arising out of such suit, including, but not limited to, any legal fees of counsel that The Regents selects and retains to represent it in the suit.
- (b) If, within a hundred and twenty (120) days following the effective date of the Infringement Notice, the infringing activity has not been abated and if Licensee has not initiated suit against the infringer, The Regents may in its sole discretion initiate suit for patent infringement against the infringer. If The Regents initiates such suit, Licensee may not join such suit without The Regents'

consent, and Licensee may not thereafter separately initiate suit against the infringer for the acts of infringement that are the subject of The Regents' suit or any judgment rendered in that suit.

- 17.3 Such suit initiated under Paragraph 17.2 will be at the expense of the initiating Party and all recoveries recovered thereby will belong to such Party, provided that suits initiated jointly by The Regents and Licensee will be at the joint expense of the Parties and all recoveries will be allocated in the following order: (a) to each Party reimbursement for its attorneys' costs, fees, and other related out-of-pocket expenses, to the extent such Party paid for such costs, fees, and expenses until all such costs, fees, and expenses are consumed for such Party; and (b) any remaining amount shared jointly by the Parties in proportion to the share of expenses paid by each Party, but in no event will The Regents' share be less than twenty-five percent (25%) of such remaining amount. The foregoing notwithstanding, if such suit is initiated by Licensee and The Regents is not a party, The Regents' share of any recoveries will be twenty-five percent (25%) of the amount of such recoveries remaining after reimbursement to Licensee of Licensee's attorneys' costs, fees and other related out-of-pocket expenses. In any suit initiated by The Regents, any recovery will belong to The Regents.
- 17.4 Each Party will cooperate with the other Party in litigation initiated hereunder but at the expense of the initiating Party. Such litigation will be controlled by the initiating Party bringing the action, except that The Regents may be represented by counsel of its choice in any suit initiated by Licensee.
- 17.5 Any agreement made by Licensee for the purposes of settling litigation initiated hereunder or other related dispute will comply with the requirements of Article 3 (Sublicenses). In no event may Licensee admit liability or wrongdoing on behalf of The Regents without The Regents' prior written consent.

**18. INDEMNIFICATION**

- 18.1 Licensee will, and will require Sublicensees to, indemnify, hold harmless, and defend The Regents and its officers, employees, and agents; sponsors of the research that led to the Invention; and the inventors of any patents and patent applications under Patent Rights and their employers; against any and all claims, suits, losses, damages, costs, fees, and expenses resulting from or arising out of exercise of this license or any Sublicense. This indemnification will include, but not be limited to, any product liability.
- 18.2 Licensee, at its sole cost and expense, will insure its activities in connection with any work performed hereunder and will obtain, keep in force, and maintain the following insurance:

- (a) Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence .....	\$ _____
Products/Completed Operations Aggregate .....	\$ _____
Personal and Advertising Injury .....	\$ _____
General Aggregate.....	\$ _____

If the above insurance is written on a claims-made form, it will continue for three (3) years following termination or expiration of this Agreement. The insurance will have a retroactive date of placement prior to or coinciding with the Effective Date of this Agreement; and

- (b) Worker's Compensation as legally required in the jurisdiction in which Licensee is doing business.

- 18.3 The coverage and limits referred to in Subparagraphs 18.2(a) and 18.2(b) will not in any way limit the liability of Licensee under this Article 18 (Indemnification). Upon the execution of this Agreement, Licensee will furnish The Regents with certificates of insurance evidencing

compliance with all requirements, and Licensee will promptly notify The Regents of any material modification of the insurance coverages. Such certificates will:

- (a) provide for thirty (30) days' (ten (10) days for non-payment of premium) advance written notice to The Regents of any cancellation of insurance coverages;
- (b) indicate that The Regents has been endorsed as an additional insured under the coverage described in Subparagraph 18.2(a); and
- (c) include a provision that the coverage will be primary and will not participate with, nor will be excess over, any valid and collectable insurance or program of self-insurance maintained by The Regents.

18.4 The Regents will promptly notify Licensee in writing of any claim or suit brought against The Regents for which The Regents intends to invoke the provisions of this Article 18 (Indemnification). In no event may Licensee admit liability or wrongdoing on behalf of The Regents or any other indemnitee without The Regents' prior written consent. Licensee will keep The Regents informed of Licensee's defense of any claims pursuant to this Article 18 (Indemnification).

## **19. COMPLIANCE WITH LAWS/EXPORT CONTROLS**

19.1 Licensee will comply with all applicable international, national, state, regional, and local laws and regulations in performing its obligations hereunder and in Licensee's use, manufacture, Sale, offer for Sale, or import of the Licensed Products or Licensed Services, or in Licensee's practice of Licensed Methods. Without limitation, Licensee will observe all applicable United States and foreign laws and regulations governing the transfer to other countries of technical data related to Licensed Products, Licensed Services, or Licensed Methods, including, without limitation, with respect to the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations.

19.2 Licensee understands that The Regents is subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979) controlling the export of technical data, computer software, laboratory prototypes, and other commodities, and The Regents' obligations to Licensee under this Agreement are contingent on and subject to compliance with such laws and regulations. The transfer of certain technical data or commodities may require a license from an agency of the United States Government or written assurances by Licensee or a Sublicensee that Licensee or a Sublicensee will not export such technical data or commodities to certain foreign countries without prior approval of such agency. The Regents neither represents that such a license will not be required nor that, if required, it will be issued.

## **20. GOVERNMENT APPROVAL OR REGISTRATION**

20.1 If this Agreement or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, Licensee will assume all legal obligations to do so. Licensee will notify The Regents if Licensee becomes aware that this Agreement is subject to a United States or foreign government reporting or approval requirement. Licensee will make all necessary filings and pay all costs, including fees, penalties, and all other out-of-pocket costs, associated with such reporting or approval process.

## **21. ASSIGNMENT**

21.1 This Agreement is binding upon and will inure to the benefit of The Regents and to The Regents' successors and assigns. This Agreement is personal to Licensee and assignable by Licensee only with the written consent of The Regents, provided that Licensee may, on written notice to The Regents, assign this Agreement, including, without limitation, all obligations owed to The Regents hereunder, to an acquiror of all or substantially all of Licensee's stock or assets.

**22. NOTICES**

22.1 All notices under this Agreement will be deemed to have been fully given and effective when done in writing and (a) delivered in person, (b) mailed by registered or certified United States mail, or (c) deposited with a carrier service requiring signature by recipient, and addressed as follows:

To The Regents: UC Davis InnovationAccess  
1850 Research Park Drive, Suite 100  
Davis, CA 95618-6153  
Attn.: Executive Director  
Ref: UC Case No. \_\_\_\_\_

To Licensee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attn.: \_\_\_\_\_

Either Party may change its address upon written notice to the other Party.

**23. PAYMENTS**

23.1 Payments to The Regents will be made by check or bank wire transfer, to the following address:

Checks: The Regents of the University of California  
Innovation Alliances and Services  
1111 Franklin Street, 5th Floor  
Oakland, CA 94607-5200  
Attention: Chief Financial Officer  
Referencing: UC Case No. \_\_\_\_\_

Bank wire (Licensee is responsible for all wire transfer fees):  
Bank of America  
1655 Grant Street  
Concord, CA 94520  
Beneficiary Name: Regents of the University of California  
Domestic Wire ABA: 026009593  
Foreign Wire SWIFT: BOFAUS3N  
Referencing: UC Case No. \_\_\_\_\_

23.2 If monies owed to The Regents under this Agreement are not received by The Regents when due, Licensee will pay to The Regents interest charges at a rate of ten percent (10%) per annum. Such interest will be calculated from the date payment was due until actually received by The Regents. Such accrual of interest will be in addition to, and not in lieu of, enforcement of any other rights of The Regents related to such late payment. Acceptance of any late payment will not constitute a waiver under Article 24 (Waiver).

**24. WAIVER**

24.1 The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other Party. None of the terms and conditions of this Agreement can be waived except by the written consent of the Party waiving compliance.

## 25. CONFIDENTIALITY

- 25.1 With respect to disclosures by one Party ("Disclosing Party") to the other Party ("Receiving Party") under this Agreement, the Receiving Party will, subject to Paragraphs 25.2 and 25.3, hold the Disclosing Party's proprietary business and technical information, patent prosecution material, and other proprietary information, including the negotiated terms of this Agreement (all such proprietary information referred to collectively herein as "Proprietary Information"), in confidence and against disclosure to third parties, with at least the same degree of care as the Disclosing Party exercises to protect the Disclosing Party's own data and information of a similar nature. This obligation will expire five (5) years after the termination or expiration of this Agreement.
- 25.2 With respect to Proprietary Information disclosed by the Disclosing Party to the Receiving Party, nothing contained herein will in any way restrict or impair the right of the Receiving Party to use, disclose, or otherwise deal with any information or data which:
- (a) at the time of disclosure to the Receiving Party by the Disclosing Party is available to the public by publication or otherwise, or thereafter becomes available to the public by publication or otherwise through no act of the Receiving Party;
  - (b) the Receiving Party can show by written record was in the Receiving Party's possession prior to the time of disclosure to the Receiving Party hereunder and was not acquired by the Receiving Party from the Disclosing Party;
  - (c) is independently made available to the Receiving Party without restrictions as a matter of right by a third party, as demonstrated by written record;
  - (d) is independently developed by employees or agents of the Receiving Party who did not have access to the information disclosed by the Disclosing Party, as demonstrated by written record; or
  - (e) is subject to disclosure under the California Public Records Act or other requirements of law.
- 25.3 The Regents will be free to release to the inventors, The Regents' senior administrators, and individual Regents the terms and conditions of this Agreement upon their request. If such release is made, The Regents will inform such individuals of the confidentiality obligations set forth above and will request that such individuals not disclose such terms and conditions to others. Should a third party inquire whether a license to Patent Rights is available, The Regents may disclose the existence of this Agreement and the extent of the grant in Articles 2 (Grant) and 3 (Sublicenses) to such third party but, unless Licensee so consents, The Regents will not otherwise disclose the name of Licensee (or other negotiated terms of this Agreement) unless (a) Licensee or a third party has already made such disclosure publicly, or (b) such disclosure is required under the California Public Records Act or other requirements of law.
- 25.4 Within fifteen (15) days following the effective date of termination or expiration of this Agreement, each Receiving Party agrees to destroy or return to the Disclosing Party Proprietary Information received from the Disclosing Party which is in the possession of the Receiving Party. However, each Receiving Party may retain one copy of Proprietary Information received from the Disclosing Party for archival purposes in non-working files for the sole purpose of verifying the ownership of the Proprietary Information, provided such Proprietary Information will be subject to the confidentiality provisions set forth in this Article 25 (Confidentiality). Subject to such right to retain for archival purposes, each Receiving Party agrees to provide to the Disclosing Party, within thirty (30) days following termination of this Agreement, a written notice that Proprietary Information received from the Disclosing Party has been returned or destroyed.

## 26. SEVERABILITY

- 26.1 The provisions of this Agreement are severable, and in the event that any provision of this Agreement is determined to be invalid or unenforceable under any controlling law, such invalidity or enforceability will not in any way affect the validity or enforceability of the remaining provisions hereof.



**27. APPLICABLE LAW; VENUE; ATTORNEYS' FEES**

27.1 This Agreement will be construed, interpreted, and applied in accordance with the laws of the State of California, excluding any choice-of-law rules that would direct the application of the laws of another jurisdiction, except that the scope and validity of any patent or patent application under Patent Rights will be determined by the applicable law of the country of such patent or patent application. Any legal action brought by one Party against the other Party relating to this Agreement will be conducted in San Francisco, California. The prevailing Party in any such legal action under this Agreement will be entitled to recover its reasonable attorneys' fees in addition to its costs and necessary disbursements.

**28. SCOPE OF AGREEMENT**

28.1 Neither Party will use this Agreement as a basis to invoke the CREATE Act, 35 U.S.C. 102(c), without the written consent of the other Party.

28.2 This Agreement incorporates the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous communications, representations, or understandings, whether oral or written, between the Parties relating to the subject matter hereof. The Confidentiality Agreement specified in the Recitals above, effective \_\_\_\_\_, is hereby superseded.

28.3 This Agreement may be modified only by written amendment duly executed by the Parties.

In witness whereof, the Parties have executed this Agreement in duplicate originals by their respective authorized officers or representatives on the respective dates below.

**LICENSEE NAME**

**THE REGENTS OF THE UNIVERSITY OF CALIFORNIA**

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature

Name: \_\_\_\_\_

Name: David R. McGee  
Executive Director  
UC Davis InnovationAccess

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_