

**EXCLUSIVE LICENSE AGREEMENT
WITH THE
NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY**

This Agreement is entered into between the National Institute of Standards and Technology (NIST), a primary operating unit of the United States Department of Commerce, having offices at 100 Bureau Drive, Stop 2200, Gaithersburg, MD 20899-2200, and COMPANY (LICENSEE), a corporation, having a place of business at ADDRESS.

WHEREAS, by assignment of rights from Department of Commerce employees and other inventors, NIST, on behalf of the United States Government, owns intellectual property rights claimed in any United States and/or foreign patent applications or patents corresponding to the assigned inventions.

WHEREAS, the Department of Commerce, pursuant to 35 U.S.C. 207 and 37 C.F.R. 404, is authorized to apply for, obtain and maintain patents on federally owned inventions in the United States and in foreign countries; to grant nonexclusive, partially exclusive or exclusive licenses under such federally owned patents and patent applications; and to undertake all other suitable and necessary steps to protect and administer rights to federally owned inventions; and

WHEREAS, NIST desires, in the public interest, that the subject invention be perfected, marketed and practiced so that the benefits are readily available for widest possible utilization in the shortest time possible; and

WHEREAS, LICENSEE represents that it has the facilities, personnel and expertise to bring and is willing to expend reasonable efforts to bring the Invention to the point of Practical Application as defined in 37 C.F.R. 404.3(d) at an early date;

NOW THEREFORE, in consideration of the foregoing, including the above-cited patent licensing regulations and the mutual promises and obligations hereinafter set forth, NIST and LICENSEE; intending to be lawfully bound, do hereby agree as set forth below.

ARTICLE I
Definitions

1.1 Licensed Patent Rights shall mean:

1.1.1 Patent applications (including PCT patent applications) and/or patents listed in Appendix A, all divisions and continuations of these applications, all patents issuing from such applications, divisions, and continuations, and any reissues, reexaminations, and extensions of all such patents;

1.1.2 to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 1.1.1 above: i) continuations-in-part; ii) all divisions and continuations of these continuations-in-part; iii) all patents issuing from such

continuations-in-part, divisions, and continuations; iv) priority patent application(s) of the above; and v) any reissues, reexaminations, and extensions of all such patents;

- 1.1.3 to the extent that the following contain one or more claims directed to the invention or inventions disclosed in 1.1.1 above: all counterpart foreign and U.S. patent applications and patents, including those listed in Appendix A.

Licensed Patent Rights shall *not* include 1.1.2 or 1.1.3 above to the extent that they contain one or more claims directed to new matter which is not the subject matter disclosed in a) above.

1.2 Licensed Product(s) shall mean any apparatus or composition encompassed within the scope of a claim in a Licensed Patent and shall also include a product which was manufactured, at least in part, by a process encompassed within the scope of a claim in a Licensed Patent which claim has not been held unpatentable, invalid or unenforceable by an unappealed or unappealable judgment of a court of competent jurisdiction.

1.3 Licensed Process(es) shall mean any processes which, in the course of being practiced would be within the scope of one or more claims of the Licensed Patent Rights which claims have not been held unpatentable, invalid or unenforceable by an unappealable judgment of a court of competent jurisdiction.

1.4 Licensed Use means methods encompassed within the scope of a claim in the Licensed Patent Rights which claim has not been held unpatentable, invalid or unenforceable by an unappealable judgment of a court of competent jurisdiction.

1.5 Licensed Territory shall mean the geographical area identified in appendix B.

1.6 Field of Use shall mean the Fields of Use identified in Appendix C.

1.7 Proprietary Information shall mean confidential scientific, business, or financial information, which may embody trade secrets provided by the LICENSEE to NIST in the course of this License except if such information:

1.7.1 was in NIST's possession before receipt from the LICENSEE; or

1.7.2 is or becomes a matter of public knowledge through no fault of NIST; or

1.7.3 is received by NIST from a third party without a duty of confidentiality; or

1.7.4 is disclosed by the LICENSEE to a third party without a duty of confidentiality on the third party; or

1.7.5 is independently disclosed by NIST with the LICENSEE's prior written approval;

or

1.7.6 is independently developed by NIST without reference to information disclosed

hereunder.

1.8 Net Sales means the total gross receipts for sales of Licensed Products or practice of Licensed Processes by or on behalf of LICENSEE or its SUBLICENSEES, and from leasing, renting, or otherwise making Licensed Products available to others without sale or other dispositions, whether invoiced or not, less returns and allowances, packing costs, insurance costs, freight out, taxes or excise duties imposed on the transaction (if separately invoiced), and wholesaler and cash discounts in amounts customary in the trade to the extent actually granted. No deductions shall be made for commissions paid to individuals, whether they be with independent sales agencies or regularly employed by LICENSEE, or SUBLICENSEES, and on its payroll, or for the cost of collections.

1.9 AFFILIATE shall mean any corporation, firm, partnership or other entity in which LICENSEE owns or controls at least fifty percent (50%) of the voting stock thereof.

1.10 Government shall mean the Federal Government of the United States of America.

1.11 Practical Application means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and in each case, under such conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

1.12 Benchmarks mean the performance milestones that are set forth in Appendix D.

1.13 Commercial Development Plan means the written commercialization plan attached as Appendix E

1.14 First Commercial Sale means the initial transfer by or on behalf of LICENSEE or its SUBLICENSEES of Licensed Products or the initial practice of a Licensed Process by or on behalf of LICENSEE or its SUBLICENSEES in exchange for cash or some equivalent to which value can be assigned for the purpose of determining Net Sales.

ARTICLE II **Grants**

2.1 NIST hereby grants to LICENSEE, subject to the terms and conditions herein, an exclusive license, with the right to grant sublicenses, under the Licensed Patent Rights to make and have made, use and have used, and sell and have sold Licensed Products and to practice the processes encompassed by the Licensed Patent(s), in the Licensed Territory and the Licensed Field of Use for the term of this Agreement. The license shall be exclusive for the government's undivided interest in the invention, in the Licensed Territory for the Field of Use. LICENSEE shall have the right to extend this license to any AFFILIATE of its choice provided that it shall first notify NIST in writing of the identity of the AFFILIATE.

2.2 NIST hereby grants to LICENSEE and its AFFILIATES and SUBLICENSEES the right to extend to their customers of the Licensed Product on which the royalty provided herein has been or will be paid the right to use such Licensed Product.

2.3 No right or license is granted or implied to LICENSEE or any person claiming through LICENSEE under any patent or patent application other than those specifically identified herein as Licensed Patents regardless of whether such patents are dominant or subordinate to Licensed Patent Rights.

2.4 LICENSEE may grant sublicenses upon the prior written approval of NIST, which approval will not be unreasonably withheld. **Each sublicense must provide that it is subject to the terms and conditions of this Agreement**, and LICENSEE shall provide NIST with a copy of each sublicense within fifteen (15) days of the sublicense being signed. To the extent permitted by law, NIST agrees to treat each such sublicense as Proprietary Information.

2.5 NIST reserves on behalf of the Government an irrevocable, nonexclusive, nontransferable, royalty-free License for the practice of all inventions licensed under the Licensed Patent throughout the world by or on behalf of the Government and on behalf of any foreign government or international organization pursuant to any existing or future treaty or agreement to which the Government is a signatory.

2.6 In the event that Licensed Patent Rights are Subject Inventions made under a Cooperative Research and Development Agreement (CRADA), LICENSEE grants to the Government, pursuant to 15 U.S.C. 3710a(b)(1)(A), a nonexclusive, nontransferable, irrevocable, paid-up license to practice Licensed Patent Rights or have Licensed Patent Rights practiced throughout the world by or on behalf of the Government. In the exercise of such license, the Government shall not publicly disclose trade secrets or commercial or financial information that is privileged or confidential within the meaning of 5 U.S.C. 552(b)(4) or which would be considered as such if it had been obtained from a non-Federal party.

2.7 NIST reserves the right to require LICENSEE to grant sublicenses to responsible applicants on reasonable terms as necessary to protect public health and safety. Any requirement to grant sublicenses shall be deemed a modification to the Agreement and shall be subject to the terms of Paragraph 7.4. In exceptional circumstances, and in the event that Licensed Patent Rights are Subject Inventions made under a Cooperative Research and Development Agreement (CRADA), the Government, pursuant to 15 U.S.C. 3710a(b)(1)(B), retains the right to require the Licensee to grant to a responsible applicant a nonexclusive, partially exclusive, or exclusive sublicense to use Licensed Patent Rights in LICENSEE's field of use on terms that are reasonable under the circumstances; or if LICENSEE fails to grant such a license, the Government retains the right to grant the license itself. The exercise of such rights by the Government shall only be in exceptional circumstances and only if the Government determines (i) the action is necessary to meet health or safety needs that are not reasonably satisfied by LICENSEE; (ii) the action is necessary to meet requirements for public use specified by Federal regulations, and such requirements are not reasonably satisfied by the LICENSEE; or (iii) the LICENSEE has failed to comply with an agreement containing provisions described in 15 U.S.C. 3710a(c)(4)(B). The determination made by the Government under this Article is subject to administrative appeal and judicial review under 35 U.S.C. 203(2).

ARTICLE III **Royalties, Payments and Records**

3.1 Royalties and Reimbursements

3.1.1 LICENSEE agrees to pay to NIST a noncreditable, nonrefundable license issue royalty as set forth in Appendix F within thirty (30) days from the date that this Agreement becomes effective.

- 3.1.2 LICENSEE agrees to pay to NIST a nonrefundable minimum annual royalty as set forth in Appendix F. The minimum annual royalty is due and payable on January 1 of each calendar year and may be credited against any earned royalties due for sales made in that year. The minimum annual royalty due for the first calendar year of this Agreement may be prorated according to the fraction of the calendar year remaining between the effective date of this Agreement and the next subsequent January 1.
- 3.1.3 LICENSEE agrees to pay NIST earned royalties as set forth in Appendix F.
- 3.1.4 LICENSEE agrees to pay NIST benchmark royalties as set forth in Appendix F.
- 3.1.5 LICENSEE agrees to pay NIST sublicensing royalties as set forth in Appendix F.
- 3.1.6 A patent or patent application licensed under this Agreement shall cease to fall within the Licensed Patent Rights for the purpose of computing earned royalty payments in any given country on the earliest of the dates that a) the application has been abandoned and not continued, b) the patent expires or irrevocably lapses, or c) the claim has been held to be invalid or unenforceable by an unappealable decision of a court of competent jurisdiction or administrative agency.
- 3.1.7 No multiple royalties shall be payable because any Licensed Products or Licensed Processes are covered by more than one of the Licensed Patent Rights.
- 3.1.8 On sales of Licensed Products by LICENSEE to SUBLICENSEES or on sales made in other than an arm's-length transaction, the value of the Net Sales attributed under this Article III to such a transaction shall be that which would have been received in an arm's-length transaction, based on sales of like quantity and quality products on or about the time of such transaction.
- 3.1.9 No royalty shall be payable hereunder for direct sales of Licensed Products to the Government by LICENSEE, its included AFFILIATES or its SUBLICENSEES provided the selling price of such sales is free of any royalty increment or on any Licensed Product scrapped prior to shipment from its place of manufacture or predisposal storage.

3.2 Filing, Prosecution and Maintenance Costs

- 3.2.1 In addition to the royalties due under Section 3.1, LICENSEE shall pay the ordinary and usual costs to NIST of obtaining and maintaining any Licensed Patent(s). These costs shall be invoiced and paid separately from any other amounts due under the LICENSE. LICENSEE shall pay NIST such amounts within thirty (30) days of receiving NIST's written request for reimbursement of such an expense. Should LICENSEE decline to assume such responsibility, NIST may modify or terminate this Agreement in accordance with the provisions of Article VIII below.
- 3.2.2 Before any commitment to expend substantial funds for an extraordinary and

unusual procedure for obtaining and maintaining any Licensed Patent(s), including but not limited to reissue, term-extension, reexamination, interference, opposition and nullity but not including infringement or counterclaims thereto, NIST shall notify LICENSEE of such extraordinary and unusual procedure and the estimated cost thereof and request LICENSEE to assume responsibility for such cost. Should LICENSEE decline to assume such responsibility, NIST may modify or terminate this Agreement in accordance with the provisions of Article VIII below.

3.3 All payments due NIST under this Article III shall be payable in United States dollars for the account of "NIST/Patent Licensing." All checks and bank drafts shall be drawn on United States banks. If payments are overdue, late charges will be applied as required by the Department of Treasury. Conversion of foreign currency to United States dollars for such payments shall be made at the conversion rate published in the Wall Street Journal on the date payment is made provided however payments made after the due date shall use the conversion rate published in the Wall Street Journal either as of the last date for timely payment or as of the date payment is actually made, whichever is greater. Any and all loss of exchange, value, taxes or other expenses incurred in the transfer or conversion of other currency to United States dollars shall be paid entirely by LICENSEE.

3.4 LICENSEE agrees to keep accurate and correct records of Licensed Products made, used, sold, or imported and Licensed Processes practiced under this Agreement appropriate to determine the amount of royalties due NIST. Such records shall be retained for at least five (5) years following a given reporting period and shall be available during normal business hours for inspection at the expense of NIST by an accountant or other designated auditor selected by NIST and/or by the Office of the Inspector General for the sole purpose of verifying reports and payments hereunder. The accountant or auditor shall only disclose to NIST, NIST's accountant or other designated auditor, and/or the Office of the Inspector General information relating to the accuracy of reports and payments made under this Agreement. If an inspection shows an underreporting or underpayment in excess of five percent (5%) for any twelve (12) month period, then LICENSEE shall reimburse NIST for the cost of the inspection at the time LICENSEE pays the unreported royalties. All payments required under this Paragraph shall be due within thirty (30) days of the date NIST provides LICENSEE notice of the payment due.

3.5 LICENSEE and/or its included AFFILIATES shall pay all necessary expenses for its commercialization of Licensed Products and such expenses shall not be deducted from any payments due NIST as provided herein.

3.6 Except as provided in Paragraph 1.14 hereof and as may be provided in any treaty between the Government and a foreign government, any tax on any payment due NIST under this Article III in any country in which such payment accrued shall be paid by LICENSEE without deduction from the amount owed to NIST.

ARTICLE IV
REPORTS ON PROGRESS, BENCHMARKS,
SALES, AND PAYMENTS

4.1 Prior to signing this Agreement, LICENSEE has provided to NIST the Commercial Development Plan at Appendix E, under which LICENSEE intends to bring the subject matter of the Licensed Patent Rights to the point of Practical Application. This Commercial Development Plan is

hereby incorporated by reference into this Agreement. Based on this plan, performance Benchmarks are determined as specified in Appendix D.

4.2 LICENSEE shall provide written annual reports on its product development progress or efforts to commercialize under the Commercial Development Plan for each of the Licensed Fields of Use within sixty (60) days after December 31 of each calendar year. These progress reports shall include, but not be limited to: progress on research and development, status of applications for regulatory approvals (if any), manufacturing, sublicensing, marketing, importing, and sales during the preceding calendar year, as well as plans for the present calendar year. If reported progress differs from that projected in the Commercial Development Plan and Benchmarks, LICENSEE shall explain the reasons for such differences. In any such annual report, LICENSEE may propose amendments to the Commercial Development Plan, acceptance of which by NIST may not be denied unreasonably. LICENSEE agrees to provide any additional information reasonably required by NIST to evaluate LICENSEE's performance under this Agreement. LICENSEE may amend the Benchmarks at any time upon written consent by NIST. NIST may approve a request of LICENSEE to extend the time periods of this schedule if such request is supported by a reasonable showing by LICENSEE of diligence in its performance under the Commercial Development Plan and toward bringing the Licensed Products to the point of Practical Application as defined in 37 CFR 404.3(d). LICENSEE shall amend the Commercial Development Plan and Benchmarks at the request of NIST to address any Licensed Fields of Use not specifically addressed in the plan originally submitted.

4.3 LICENSEE shall report to NIST the dates for achieving Benchmarks specified in Appendix D and the First Commercial Sale in each country in the Licensed Territory within thirty (30) days of such occurrences.

4.4 LICENSEE shall submit to NIST within sixty (60) days after each calendar year ending December 31 a royalty report setting forth for the preceding year the amount of the Licensed Products sold or Licensed Processes practiced by or on behalf of LICENSEE in each country within the Licensed Territory, the Net Sales, and the amount of royalty accordingly due. With each such royalty report, LICENSEE shall submit payment of the earned royalties due. If no earned royalties are due to NIST for any reporting period, the written report shall so state. The royalty report shall be certified as correct by an authorized officer of LICENSEE and shall include a detailed listing of all deductions made under Paragraph 2.10 to determine Net Sales made under Article 6 to determine royalties due.

4.5 LICENSEE agrees to forward annually to NIST a copy of such reports received by LICENSEE from its SUBLICENSEES during the preceding year as shall be pertinent to a royalty accounting to NIST by LICENSEE for activities under the sublicense.

4.6 All plans and reports required by this Article and marked "confidential" by LICENSEE shall, to the extent permitted by law, be treated by NIST as commercial and financial information obtained from a person and as privileged and confidential, and any proposed disclosure of such records by the NIST under the Freedom of Information Act (FOIA), 5 U.S.C. § 552 shall be subject to the predisclosure notification requirements of 45 CFR § 5.65(d). These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including

sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive order and listed statutes are incorporated into this agreement and are controlling.

ARTICLE V **Patent Filing and Enforcement**

5.1 NIST agrees to take responsibility for, but to consult with the LICENSEE in, the preparation, filing and prosecution of any and all patent applications or patents included in the Licensed Patent(s) rights and Licensed Territory and shall furnish copies of relevant patent-related documents to LICENSEE.

5.2 NIST and LICENSEE shall notify each other promptly in writing of any facts which they believe may affect the validity, scope or enforceability of a Licensed Patent.

5.3 NIST and LICENSEE shall notify each other promptly in writing of any infringement or possible infringement of the Licensed Patent Rights of which either Party becomes aware. The parties shall reasonably cooperate in determining if substantial infringement exists and, if so, in attempting to eliminate that substantial infringement.

5.4 LICENSEE is empowered pursuant to this Agreement and the provisions of Chapter 29 of Title 35, United States Code or other statutes to: (a) bring suit in its own name, at its own expense, and on its own behalf for infringement of presumably valid claims in the Licensed Patents; (b) in any such suit by LICENSEE, to enjoin infringement and to collect for its use, damages, profits and awards of whatever nature recoverable for such infringement; and (c) settle any claim or suit for infringement of the Licensed Patent Rights provided, however, that NIST and appropriate Government authorities shall have the first right to take such actions. If LICENSEE desires to initiate a suit for patent infringement, LICENSEE shall notify NIST in writing. If NIST does not notify LICENSEE of its intent to pursue legal action within ninety (90) days, LICENSEE will be free to initiate suit. LICENSEE may request the Government to initiate or join in any such suit if necessary to avoid dismissal of the suit. However, LICENSEE shall take no action to compel the Government either to initiate or to join in any such suit for patent infringement. Should the Government be made a party to any such suit, LICENSEE shall reimburse the Government for any costs, expenses, or fees which the Government incurs as a result of such motion or other action, including any and all costs incurred by the Government in opposing any such motion or other action. LICENSEE shall promptly provide NIST with a copy of all documents which it files in such suit or which it files in any related legal or quasi legal proceeding, including settlement negotiations, or which LICENSEE receives from the adverse party or parties. NIST and appropriate Government authorities shall have a continuing right to intervene in such suit.

5.5 In the event that a declaratory judgment action alleging invalidity or non-infringement of any of the Licensed Patent Rights shall be brought against LICENSEE or raised by way of counterclaim or affirmative defense in an infringement suit brought by LICENSEE under Paragraph 5.4, pursuant to this Agreement and the provisions of Chapter 29 of Title 35, United States Code or other statutes, LICENSEE may: a) defend the suit in its own name, at its own expense, and on its own behalf for presumably valid claims in the Licensed Patent Rights; b) in any such suit, ultimately to enjoin infringement and to collect for its use, damages, profits, and awards of whatever nature recoverable for such infringement; and c) settle any claim or suit for declaratory judgment involving the Licensed Patent Rights-provided, however, that NIST and appropriate Government authorities shall have the first right to

take such actions and shall have a continuing right to intervene in such suit. If NIST does not notify LICENSEE of its intent to respond to the legal action within a reasonable time, LICENSEE will be free to do so. LICENSEE shall take no action to compel the Government either to initiate or to join in any such declaratory judgment action. LICENSEE may request the Government to initiate or to join any such suit if necessary to avoid dismissal of the suit. Should the Government be made a party to any such suit by motion or any other action of LICENSEE, LICENSEE shall reimburse the Government for any costs, expenses, or fees which the Government incurs as a result of such motion or other action. If LICENSEE elects not to defend against such declaratory judgment action, NIST, at its option, may do so at its own expense. In all cases, LICENSEE agrees to keep NIST reasonably apprised of the status and progress of any litigation.

5.6 In any action under Paragraphs 5.4 or 5.5, the expenses including costs, fees, attorney fees, and disbursements, shall be paid by LICENSEE. The value of any recovery made by LICENSEE through court judgment or settlement shall be treated as Net Sales and subject to earned royalties.

5.7 NIST shall cooperate fully with LICENSEE in connection with any action under Paragraphs 5.4 or 5.5. NIST agrees promptly to provide access to all necessary documents and to render reasonable assistance in response to a request by LICENSEE.

ARTICLE VI **LICENSEE Performance**

6.1 LICENSEE shall use its reasonable best efforts to bring the Licensed Products and Licensed Processes to Practical Application. "Reasonable best efforts" for the purposes of this provision shall include adherence to the Commercial Development Plan at Appendix F and performance of the Benchmarks at Appendix D. The efforts of a SUBLICENSEE shall be considered the efforts of LICENSEE.

6.2 After bringing Licensed Products to the point of practical application in the United States, LICENSEE agrees to keep Licensed Products reasonably available to the public in the United States during the term of this Agreement.

6.3 LICENSEE agrees that Licensed Products sold or otherwise disposed of in the United States by LICENSEE, its included AFFILIATES and its SUBLICENSEES will be manufactured substantially in the United States.

6.4 Failure to comply with the provisions of this Article VII shall be cause for modification or termination of this Agreement in accordance with the provisions of Article VIII below.

ARTICLE VII **Duration, Modification and Termination**

7.1 This Agreement is effective when signed by all parties and shall extend to the expiration of the last to expire of the Licensed Patent Rights unless sooner terminated as provided for under this Agreement.

7.2 In the event that LICENSEE is in default in the performance of any material obligations under this Agreement and if the default has not been remedied within ninety (90) days after the date of notice in writing of such default, NIST may terminate this Agreement by written notice and pursue outstanding amounts owed through procedures provided by the Federal Debt Collection Act. This Agreement may be modified or terminated by NIST subject to the provisions of Paragraphs 7.4, 7.6, 7.7, and 7.8 below, if it is determined that:

- 7.2.1 LICENSEE or any included AFFILIATE fails to meet the obligations set forth in the Agreement;
- 7.2.2 Such action is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by the LICENSEE or an included AFFILIATE;
- 7.2.3 LICENSEE has willfully made a material false statement or willfully omitted a material fact in the license application or in any report required by this Agreement
- 7.2.4 LICENSEE or any included AFFILIATE commits a substantial breach of any promise, covenant or obligation contained in this Agreement;
- 7.2.5 LICENSEE is adjudged a bankrupt, files a petition for bankruptcy or has its assets placed in the hands of a receiver or makes any assignment or other accommodation for the benefit of creditors; or
- 7.2.6 LICENSEE or any included AFFILIATE is held by a court of competent jurisdiction without taking a further appeal to have misused any Licensed Patent;
- 7.2.7 LICENSEE is not executing the Commercial Development Plan submitted with its request for a license and the LICENSEE cannot otherwise demonstrate to NIST's satisfaction that the LICENSEE has taken, or can be expected to take within a reasonable time, effective steps to achieve Practical Application of the Licensed Products or Licensed Processes;
- 7.2.8 LICENSEE is not keeping Licensed Products or Licensed Processes reasonably available to the public after commercial use commences;
- 7.2.9 LICENSEE cannot reasonably satisfy unmet health and safety needs.

In making this determination, NIST will take into account the normal course of such commercial development programs conducted with sound and reasonable business practices and judgment and the annual reports submitted by LICENSEE under Paragraph 3.7. Prior to invoking this right, NIST shall give written notice to LICENSEE providing LICENSEE specific notice of, and a ninety (90) day opportunity to respond to, NIST's concerns as to the previous items 7.2.1 to 7.2.9. If LICENSEE fails to alleviate NIST's concerns as to the previous items 7.2.1 to 7.2.9 or fails to initiate corrective action to NIST's satisfaction, NIST may terminate this Agreement.

7.3 All sublicenses shall be subject to the terms and conditions of this agreement, and shall be subject to modification or termination on the grounds provided for in Section 7.2. LICENSEE shall

provide in the sublicenses that the sublicenses are also subject to termination or modification for the acts or omissions, enumerated in section 7.2 above, by SUBLICENSEE.

7.4 If NIST terminates this Agreement, LICENSEE shall have a reasonable time in which to sell all Licensed Products in production or in inventory.

7.5 At any time upon ninety (90) days prior written notice, LICENSEE may terminate this Agreement. Termination of this Agreement by LICENSEE pursuant to this Paragraph in response to a charge of infringement from a third party shall be deemed termination for cause.

7.6 LICENSEE and NIST may mutually agree to modify or terminate this Agreement at any time such modification or termination will be effective only when set forth in writing and signed by the parties.

7.7 Upon termination of this Agreement or its modification removing any Licensed Patent Rights, a report similar to that required under Paragraph 3.4 covering Licensed Patent(s) included in such modification or termination shall become due immediately and sums due to NIST from LICENSEE in respect of the Licensed Patent(s) included in such modification or termination shall become immediately due and must be paid within thirty (30) days. In all other respects, the rights and obligations of the parties hereto concerning the Licensed Patent(s) included in such modification or termination shall cease as of the effective date of such modification or termination.

7.8 In the event of termination of the Agreement or its modification removing any Licensed Patent, and sublicense of record granted pursuant to Paragraph 2.4 may, at SUBLICENSEE'S option, be converted to a License directly between SUBLICENSEE and NIST under any Licensed Patent no longer licensed to LICENSEE.

ARTICLE VIII **General**

8.1 LICENSEE shall place a Proprietary Information notice on all information it delivers to NIST under this Agreement, which the LICENSEE asserts is proprietary. If the Proprietary Information is in writing it shall be marked "confidential". If the Proprietary Information is not in writing, LICENSEE shall provide NIST with a written memorandum summarizing and designating such information as confidential within thirty (30) days of the disclosure. NIST agrees that any information designated Proprietary shall be used only for the purposes described herein. However, NIST may object to the designation of information as Proprietary Information and may decline to accept such information. Except where NIST is legally obligated to release information pursuant to the Freedom of Information Act (5 U.S. C. 552), or other requirement of law, Proprietary Information shall not be disclosed or otherwise made available in any form to any other person, firm, corporation, partnership, association, or other entity without the prior written consent of LICENSEE. NIST agrees to use its best efforts to maintain the confidentiality of Proprietary Information. NIST will promptly notify the LICENSEE of requests for its Proprietary Information. The LICENSEE agrees that NIST is not liable for the disclosure of information designated as Proprietary which, after notice to and consultation with the LICENSEE, NIST determines may not lawfully be withheld or which a court of competent jurisdiction requires disclosed.

8.2 NIST represents and warrants that NIST has the authority to issue licenses under the Licensed Patent(s). NIST does not warrant the patentability or validity of the Licensed Patent(s) and

makes no representations whatsoever with regard to the scope of the Licensed Patent(s) or that such Licensed Patent(s) may be exploited without infringing other patents. NIST further does not warrant the merchantability or fitness of the Licensed Product for any particular purpose or any other warranty, expressed or implied. NIST does not represent that it will commence legal actions against third parties infringing the Licensed Patent Rights.

8.3 LICENSEE shall indemnify and hold NIST, its employees, students, fellows, agents, and consultants harmless from and against all liability, demands, damages, expenses, and losses, including but not limited to death, personal injury, illness, or property damage in connection with or arising out of: a) the use by or on behalf of LICENSEE, its SUBLICENSEES, directors, employees, or third parties of any Licensed Patent Rights; or b) the design, manufacture, distribution, or use of any Licensed Products, Licensed Processes or materials by LICENSEE, or other products or processes developed in connection with or arising out of the Licensed Patent Rights. LICENSEE agrees to maintain a liability insurance program consistent with sound business practice.

8.4 This Agreement shall not be assigned by LICENSEE except: a) with the prior written consent of NIST, or b) as part of a sale or transfer of substantially the entire business of LICENSEE relating to operations which concern this Agreement. LICENSEE shall notify NIST in writing at least ten (10) days prior to any assignment of this Agreement by LICENSEE, and LICENSEE shall pay NIST, as an additional royalty, one percent (1%) of the fair market value of any consideration received for any assignment of this Agreement within thirty (30) days of such assignment. In no event shall LICENSEE assign or transfer this Agreement to a party not a citizen or resident of the United States of America.

8.5 LICENSEE acknowledges that it is subject to and agrees to abide by the United States laws and regulations (including the Export Administration Act of 1979 and Arms Export Control Act) controlling the export of technical data, computer software, laboratory prototypes, biological material, and other commodities. The transfer of such items may require a license from the cognizant Agency of the U.S. Government or written assurances by LICENSEE that it shall not export such items to certain foreign countries without prior approval of such agency. NIST neither represents that a license is or is not required or that, if required, it shall be issued.

8.6 The parties shall make every reasonable effort to resolve amicably any dispute concerning a question of fact arising under this Agreement. Any disputes not settled amicably between the parties concerning a question of fact arising under this Agreement shall be decided by the designated NIST Official, who shall reduce their decision to writing and mail or otherwise furnish a copy thereof to LICENSEE. The decision of the designated NIST Official to modify or terminate this Agreement shall be final and conclusive unless LICENSEE mails or otherwise furnishes to the Deputy Director of NIST a written appeal within thirty (30) days of receiving the designated NIST Official's written decision. Pending final decision of a dispute hereunder, LICENSEE shall proceed diligently with the performance of its obligations under this Agreement.

8.7 The interpretation and application of the provisions of this Agreement shall be governed by the laws of the United States as interpreted and applied by the Federal courts in the District of Columbia.

8.8 LICENSEE, its included AFFILIATES and SUBLICENSEES shall identify Licensed Products with the marking "Licensed Under U.S. Patent _____" or "U.S. Patent Pending" as permitted or required by statute. Where appropriate, LICENSEE shall also mark Licensed Product(s) with foreign patent notice in compliance with the laws of the countries in which the United States Department of Commerce owns the corresponding non-U.S. patents.

8.9 The name of the Government employee inventor(s), the name of any agency or department of the Government or any adaptation of the above shall not be used in any promotional activity without prior written approval from NIST.

8.10 Written notices required to be given under this Agreement shall be considered duly given on the date mailed if mailed by first class mail, postage prepaid and addressed as follows:

If to NIST:

National Institute of Standards and Technology
Attn: Licensee Administrator
Technology Partnerships Office
100 Bureau Drive, MS 2200
Gaithersburg, MD 20899-2200

All royalty payments due NIST shall be sent to:

National Institute of Standards and Technology
Attn: Licensee Administrator
Technology Partnerships Office
100 Bureau Drive, MS 2200
Gaithersburg, MD 20899-2200

* Reference the NIST License Control Number on the check.

If to LICENSEE:

or such other address as either party may request in writing.

8.11 This Agreement constitutes the entire understanding and supersedes all prior agreements and understandings between the parties with respect to the subject matter hereof or information relating thereto except for any non-disclosure agreement relating to the claims of the Licensed Patent(s) which non-disclosure agreement, if any, is incorporated herein by reference, and neither party shall be obligated by any condition, promise or representation other than those expressly stated herein or as may be subsequently agreed to by the parties hereto in writing.

8.12 Nothing in this Agreement bars disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

8.12 The Effective Date of this Agreement shall be the date when it is executed on behalf of NIST unless another date is mutually agreed to by both parties. The Effective Date may be inserted in the place provided below by NIST after this Agreement has been executed by LICENSEE. The Effective Date of this Agreement is _____,

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives.

LICENSEE: _____
(Company Name)

By: _____ (date)

Print Name: _____

Title: _____

Company Mailing Address for Notices:

COMPANY
ADDRESS

NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

Chief Counsel for NIST (date)

Laboratory Director (date)

Director, Technology Partnerships Office (date)

Mailing Address for Notices:

National Institute of Standards and Technology
Technology Partnerships Office
100 Bureau Drive
Gaithersburg, MD 20899-2200

APPENDIX A

Licensed Patents/Patent Applications

APPENDIX B

Licensed Territory

APPENDIX C

Licensed Field of Use

APPENDIX D

Performance Benchmarks

APPENDIX E

Payments and Royalties

APPENDIX F

Commercial Development Plan