

This draft is dated the \_\_\_\_ day of \_\_\_\_\_, 2007, and is solely for purposes of negotiation. No contract shall exist until a final, written agreement is signed by WSURF's Executive Director and an authorized representative of Licensee. This draft shall expire on \_\_\_\_\_, 2007.

**STANDARD EXCLUSIVE LICENSE AGREEMENT  
WITH SUBLICENSING TERMS**

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This Agreement is made effective the \_\_\_\_ day of \_\_\_\_\_, 2005, (hereinafter "Effective Date") by and between the Washington State University Research Foundation (hereinafter "WSURF"), a nonstock, nonprofit Washington corporation having an office at 1610 NE Eastgate Boulevard, Pullman WA 99163 USA and \_\_\_\_\_ (hereinafter "Licensee"), a corporation organized and existing under the laws of \_\_\_\_\_ and having a principal office at \_\_\_\_\_.

WHEREAS, WSURF owns certain inventions that are described in the "Licensed Patents" defined below, and WSURF is willing to grant a license to Licensee under any one or all of the Licensed Patents and Licensee desires a license under all of them;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties covenant and agree as follows:

**Section 1. Definitions.**

1.1. a. "Licensed Patents" shall refer to and mean all of the following WSURF intellectual property:

1.1.1 the United States patent(s)/patent application(s) entitled " \_\_\_\_\_," filed in the United States Patent Office on \_\_\_\_\_, and assigned Registration Number/Serial Number \_\_\_\_\_, and all United States patents and foreign patents and patent applications based on this U.S. application;

1.1.2 all divisionals and continuations both U.S. and foreign; and

1.1.3 any reissues or re-examinations of patents described in 1.1.1 or 1.1.2 above. to the extent that the following contain one or more claims directed to the invention or inventions claimed in USPA SN 60/xxxxxx: continuations-in-part, all divisions and continuations of these continuations-in-part, all patents issuing from such continuations-in-part, divisions, and continuations; and any reissues, reexaminations, and extensions of all such patents. Licensed Patents shall *not* include these continuations-in-part, divisions, continuation, reissues, reexaminations and extensions to the extent that they contain one or more claims directed to new matter which is not the subject matter of a claim in USPA SN 60/xxxxxx.

1.1.b. "Licensed Know-how and Licensed Biological Materials" mean the following materials, also described in Appendices -----:

"Licensed Know-how" shall mean the following WSURF intellectual property:

All information, know-how, and materials as described in WSURF Case Numbers ----- concerning the (as provided in Appendix ---, herein).

"Licensed Biological Materials" shall mean the following WSURF intellectual property (as provided in Appendix -----, herein):

1.2 "Licensed Product" and "Licensed Process" shall mean:

1.2.1 In the case of a Licensed Product, any product or part or combination thereof developed and/or sold by or on behalf of Licensee, its Affiliates or Sublicensees which:

1.2.1.1 is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which any product is made, used or sold; or

1.2.1.2 is manufactured, synthesized, derivatized or produced by using a process or product that is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which any such process is used or in which any such product is used or sold.

1.2.1.3 is covered in whole or in part by a method of use claim which is an issued, unexpired claim or a pending claim, contained in the Licensed Patents in any country in which the product is utilized in whole or in part for the covered use either directly or indirectly or in which any such product is sold for the covered use either directly or indirectly.

1.2.2. In the case of a Licensed Process, any process including method of use that is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Licensed Patents in any country in which such process is practiced either directly or indirectly, either alone or in a combination form.

- 1.3 "Selling Price" shall mean, in the case of Licensed Products and/or Licensed Processes that are sold by Licensee or its Affiliates and/or Sublicensees, the invoice price of Licensed Products and/or Licensed Processes (regardless of uncollectible accounts) less any outbound transportation costs paid or allowed; allowances and credits because of returns, or sales taxes. The "Selling Price" for a Licensed Product or Licensed Process that is transferred to a third party for promotional purposes without charge or at a discount shall be the average price of that type of Licensed Product and/or Licensed Process during the applicable calendar quarter. The "Selling Price" for a Licensed Product and/or Licensed Process that is produced for a third party or sold to a third party under a per sale contract and/or lumpsum contract will be the per sale contract price or the lumpsum contract price, as the case may be, or any consideration or service fees received for product provided or services performed less any outbound transportation costs paid or allowed; allowances and credits because of returns, or sales taxes.
- 1.4 "Development Plan" shall mean a written report summarizing the development activities that are to be undertaken by the Licensee to bring Licensed Products to the market. The Development Plan is attached as Appendix A.
- 1.5 "Development Report" shall mean a written account of Licensee's progress under the Development Plan having at least the information specified on Appendix B to this Agreement, and shall be sent to the address specified on Appendix B.
- 1.6 "Licensed Field" shall be limited to the field of \_\_\_\_\_.
- 1.7 "Licensed Territory" shall be limited to \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_.
- 1.8 "Sublicense" means any exchange for value, any transfer of rights, including assignment, to Licensed Patents, Licensed know-How and/or Licensed Biological Materials for any consideration, including but not limited to cash, promissory notes, equity, upfront payments, milestone payments, royalties, manufacturing contracts, distribution contracts, sponsored research contracts, option agreements, research use licenses, any collaborative arrangements, partnerships, or joint ventures, received or entered into by Licensee with respect to any transfer of any right, including but not limited to assignment, whether present, future or contingent, to make, manufacture, use, practice, distribute, or otherwise sell any aspect of the Technology or Licensed Products and Licensed Processes to any third party (hereinafter Sublicensee).
- 1.98 "Affiliate" means any corporation or other business entity controlled by or in common control of the Licensee. "Control" as used herein shall mean the ownership directly or indirectly of at least fifty percent (50%), or the maximum interest permitted by local law, of the voting stock of a corporation; or a fifty percent (50%) or greater interest in the income of such corporation or other business entity; or the ability otherwise of the Licensee to secure that the affairs of such corporation or other business entity are managed in accordance with its wishes.

## **Section 2. Grant.**

- 2.1 License. WSURF hereby grants to Licensee an exclusive license, limited to the Licensed Field and the Licensed Territory, under the Licensed Patents to make, use and sell Licensed Products and/or Licensed Processes. WSURF reserves to itself and Washington State University the right to make, use and sell Licensed Products and/or Licensed Processes under the Licensed Patents for research purposes, including research for any sponsors.

WSURF also reserves the right to license the technology, for non-commercial purposes and without further right of sublicense, to other non-profit institutions and/or for humanitarian use, subject to Licensee's prior written approval, which shall not be unreasonably withheld.

## 2.2 Sublicense

- 2.2.1 Licensee may grant written, Sublicenses to third parties within the Licensed Field and Licensed Territory. Any agreement granting a Sublicense shall state that the Sublicense is subject to the termination of this Agreement. Licensee shall have the same responsibility for the activities of any Sublicensee as if the activities were directly those of Licensee.
- 2.2.2 In respect to Sublicenses granted by Licensee under Section 2.2.1., Licensee shall pay to WSURF an amount equal to what Licensee would have been required to pay to WSURF had Licensee sold the amount of Licensed Products sold by such Sublicensee. In addition, if Licensee receives any fees, minimum royalties, or other payments in consideration for any rights granted under a Sublicense, and such payments are not based directly upon the amount or value of Licensed Products sold by the Sublicensee, then Licensee shall pay WSURF fifty percent (50 %) of such payments in the manner specified in Section 3.5. Licensee shall not receive from Sublicensees anything of value in lieu of cash payments in consideration for any Sublicense under this Agreement without the express prior written permission of WSURF. Licensee shall provide WSURF with a copy of each sublicense agreement within thirty (30) days of the execution of the sublicense agreement.

## 2.3 License to WSURF

To the extent permitted by applicable law, Licensee hereby grants and shall require its Sublicensee(s) to grant WSURF an option to obtain on behalf of itself and WSU a nonexclusive, royalty-free, irrevocable, paid-up license, for research purposes, under any and all inventions hereafter made or acquired by Licensee (or its Sublicensee(s)) to the extent any such inventions are Improvements. "Improvements" shall mean any modification of an invention described in Licensed Patents that, if unlicensed, would infringe one or more claims of the Licensed Patents. Licensee shall provide WSURF with a written, enabling disclosure of each such invention (such as a U.S. patent application), unambiguously identifying it as an invention governed by this paragraph, within six (6) months of filing a patent application thereon. If WSURF does not exercise its option to receive a license thereunder within sixty days of the date of the disclosure, its option under this paragraph shall be deemed terminated, but only with respect to the invention so disclosed.

## **Section 3. Consideration.**

### 3.1 Development

- 3.1.1. Licensee agrees to and warrants that: it has, or will obtain, the expertise necessary to independently evaluate the inventions of the Licensed Patents; it will establish and actively and diligently pursue the Development Plan (see Appendix A) to the end that the inventions of the Licensed Patents will be utilized to provide Licensed Products and/or Licensed Processes for sale in the retail market within the Licensed Field; and within one month following the end of each quarter ending on March 31, June 30, September 30, and December 31, and until the date of first commercial sale of Licensed Products, it will supply WSURF with a written Development Report (see Appendix B). All development activities and strategies and all aspects of product design and decisions to market and the like are entirely at the discretion of Licensee, and Licensee shall rely entirely on its own expertise with respect thereto. WSURF's review of

Licensee's Development Plan is solely to verify the existence of Licensee's commitment to development activity and to ensure compliance with Licensee's obligations to commercialize the inventions of the Licensed Patents, as set forth above.

3.1.2. Licensee agrees that the first commercial sale of products to the retail customer shall occur on or before \_\_\_\_\_ or this Agreement shall terminate pursuant to Section 7.3 hereto.

3.2 License Issue Fee

Licensee agrees to pay to WSURF a License Issue Fee of \$ \_\_\_\_\_ within thirty (30) days of the Effective Date.

3.3 Royalty

In addition to the Section 3.2 License Issue Fee, Licensee and its Affiliates agrees to pay to WSURF as earned royalties a royalty calculated as a percentage of the Selling Price in accordance with the terms and conditions of this Agreement. The royalty is deemed earned as of the earlier of the date the Licensed Product and/or Licensed Process is actually sold and paid for, the date an invoice is sent by Licensee or its Sublicensee(s), or the date a Licensed Product and/or Licensed Process is transferred to a third party for any promotional reasons. The royalty shall remain fixed while this Agreement is in effect at a rate of \_\_\_\_\_ percent ( \_\_%) of the Selling Price.

3.4 Other Payments

3.4.1. Licensee agrees to pay WSURF Minimum Royalty payments, as follows:

Payment	Year	
\$ _____	_____	
\$ _____	_____	
\$ _____	_____	
\$ _____	_____	
\$ _____	_____	and every year thereafter on the same date, for the life of this Agreement.

The Minimum Royalty shall be paid in advance on a quarterly basis for each year in which this Agreement is in effect. The Minimum Royalty for a given year shall be due in advance and shall be paid in quarterly installments on December 31, March 31, June 30, and September 30 for the following quarter. Any Minimum Royalty paid in a calendar year will be credited against the earned royalties for that calendar year. It is understood that the Minimum Royalties will be applied to earned royalties on a calendar year basis, and that sales of Licensed Products and/or Licensed Processes requiring the payment of earned royalties made during a prior or subsequent calendar year shall have no effect on the annual Minimum Royalty due WSURF for other than the same calendar year in which the royalties were earned.

3.4.2. Licensee agrees to pay WSURF Milestone payments, as follows:

Payment	Due Date	Event
\$ _____	_____, 20__	_____
\$ _____	_____, 20__	_____
\$ _____	_____, 20__	_____
\$ _____	_____, 20__	_____
\$ _____	_____, 20__	_____

### 3.5 Accounting Payments

- 3.5.1. Amounts owing to WSURF under Sections 2.2 and 3.3 shall be paid on a quarterly basis after the amount of Minimum Royalties paid is exceeded, with such amounts due and received by WSURF on or before the thirtieth day following the end of the calendar quarter ending on March 31, June 30, September 30 or December 31 in which such amounts were earned. The balance of any amounts that remain unpaid more than thirty (30) days after they are due to WSURF shall accrue interest until paid at the rate of the lesser of one and one-half percent (1.5%) per month or the maximum amount allowed under applicable law. However, in no event shall this interest provision be construed as a grant of permission for any payment delays.
- 3.5.2. Except as otherwise directed, all amounts owing to WSURF under this Agreement shall be paid in U.S. dollars to WSURF at the address provided in Section 13.1. All royalties owing with respect to Selling Prices stated in currencies other than U.S. dollars shall be converted at the rate shown in the Federal Reserve Noon Valuation - Value of Foreign Currencies on the day preceding the payment.
- 3.5.3. A full accounting showing how any amounts payable to WSURF under Sections 2.2 and 3.3 have been calculated shall be submitted to WSURF on the date of each such payment. Such accounting shall be on a per-country and product line, model or trade name basis and shall be summarized on the form shown in Appendix C of this Agreement. In the event no payment is owed to WSURF because the amount of Minimum Royalties paid has not been exceeded or otherwise, an accounting demonstrating that fact shall be supplied to WSURF.
- 3.5.4. WSURF is exempt from paying income taxes under U.S. law. Therefore, all payments due under this Agreement shall be made without deduction for taxes, assessments, or other charges of any kind that may be imposed on WSURF by any government outside of the United States or any political subdivision of such government with respect to any amounts payable to WSURF pursuant to this Agreement. All such taxes, assessments, or other charges shall be assumed by Licensee.

### **Section 4. Certain Warranties of WSURF.**

- 4.1 WSURF warrants that, except as otherwise provided under Section 15 of this Agreement with respect to U.S. Government interests, it is the owner of the Licensed Patents or otherwise has the right to grant the licenses granted to Licensee in this Agreement. However, nothing in this Agreement shall be construed as:
  - 4.1.1. a warranty or representation by WSURF as to the validity or scope of any right included in the Licensed Patents;
  - 4.1.2. a warranty or representation that anything made, used, sold or otherwise disposed of under the license granted in this Agreement will or will not infringe patents of third parties;
  - 4.1.3. an obligation to bring or prosecute actions or suits against third parties for infringement of Licensed Patents;
  - 4.1.4. an obligation to furnish any know-how not provided in Licensed Patents or any services other than those specified in this Agreement; or
  - 4.1.5. a warranty or representation by WSURF that it will not grant licenses to others to make, use or sell products not covered by the claims of the Licensed Patents that may be similar and/or compete with products made or sold by Licensee or its Sublicensee(s).

4.2 WSURF MAKES NO REPRESENTATIONS, EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND ASSUMES NO RESPONSIBILITIES WHATSOEVER WITH RESPECT TO USE, SALE, OR OTHER DISPOSITION BY LICENSEE, ITS SUBLICONSEE(S) OR THEIR VENDEES OR OTHER TRANSFEREES OF PRODUCT INCORPORATING OR MADE BY USE OF INVENTIONS LICENSED UNDER THIS AGREEMENT.

**Section 5. Record keeping.**

- 5.1 Licensee and its Sublicensee(s) shall keep books and records sufficient to verify the accuracy and completeness of Licensee's and its Sublicensee(s)'s accounting referred to above, including without limitation inventory, purchase and invoice records, manufacturing records, sales analysis, general ledgers, financial statements, and tax returns relating to the Licensed Products and/or Licensed Processes. Such books and records shall be preserved for a period not less than six years after they are created, both during and after the term of this Agreement.
- 5.2 Licensee and its Sublicensee(s) shall take all steps necessary so that WSURF may, within thirty (30) days of its request, review and copy all of the books and records at a single U.S. location to verify the accuracy of Licensee's and its Sublicensee(s)'s accounting. Such review may be performed by any authorized employee of WSURF as well as by any attorney or registered CPA designated by WSURF, upon reasonable notice and during regular business hours.
- 5.3 If a royalty payment deficiency is determined, Licensee and its Sublicensee(s) shall pay the royalty deficiency outstanding within thirty (30) days of receiving written notice thereof, plus interest on outstanding amounts as described in Section 3.5.1.
- 5.4 If a royalty payment deficiency for a calendar year exceeds five percent (5%) of the royalties paid for that year, then Licensee and its Sublicensee(s) shall be responsible for paying WSURF's out-of-pocket expenses incurred with respect to such review.

**Section 6. Patent Prosecution.**

- 6.1 WSURF shall diligently prosecute and maintain the Licensed Patents using counsel of its choice. WSURF shall provide Licensee with copies of relevant documentation so that Licensee may be informed and apprised of the continuing prosecution of Licensed Patents, and Licensee agrees to keep such information confidential.
- 6.2 Licensee shall be responsible for and pay all past and future costs and expenses incurred by WSURF for the preparation, filing, prosecution, issuance, and maintenance of the Licensed Patents within thirty (30) days of receipt of an invoice from WSURF. It shall be the responsibility of Licensee to keep WSURF fully apprised of the "small entity" status of Licensee with respect to the U.S. patent laws and with respect to the patent laws of any other countries, if applicable, and to inform WSURF of any changes in such status, within thirty days of any such change.

**Section 7. Term and Termination.**

- 7.1 The term of this license shall begin on the Effective Date of this Agreement and continue until the earlier of the date that a) no Licensed Patent remains an enforceable patent or no Licensed Know-How or Biological Materials continue to be used in making the Licensed Product or Licensed Process or b) the payment of earned royalties under Section 3.3, once begun, ceases for more than two (2) calendar quarters
- 7.2 Licensee may terminate this Agreement at any time by giving at least ninety (90) days written and unambiguous notice of such termination to WSURF. Such a notice shall be accompanied by a statement of the reasons for termination.

- 7.3 WSURF may terminate this Agreement by giving Licensee at least ninety (90) days written notice if the date of first commercial sale does not occur on or before the date specified in Section 3.1.2.
- 7.4 If Licensee at any time defaults in the timely payment of any monies due to WSURF or the timely submission to WSURF of any Development Report, fails to actively pursue the Development Plan, or commits any breach of any other covenant herein contained, and Licensee fails to remedy any such breach or default within ninety (90) days after written notice thereof by WSURF, WSURF may, at its option, terminate this Agreement by giving thirty (30) days notice of termination to Licensee.
- 7.5 WSURF may terminate this Agreement upon the occurrence of the third separate default by Licensee within any consecutive three-year period for failure to pay royalties when due.
- 7.6 Upon the termination of this Agreement, Licensee shall remain obligated to provide an accounting for and to pay royalties earned up to the date of the termination.
- 7.7 Upon the termination of this Agreement, excluding expiration, Licensee agrees to promptly return to the WSURF all materials covered by the Licensed Patents and Licensed Biological Materials (as described in Appendix D and Appendix E) or to destroy all such materials and to deliver a notarized document certifying that all such materials have been destroyed and that any Licensed Know-How will no longer be used.
- 7.8 Termination of this Agreement shall not relieve LICENSEE of any obligation to pay WSURF the fee set forth in Section 3 nor of any obligation with respect to the confidential information or materials covered by this Agreement. Articles 4, 5, 6, 7, 10, 11, 12, and 15 shall survive termination.

**Section 8. Assignability.**

This Agreement may not be transferred or assigned by Licensee except with the prior written consent of WSURF.

**Section 9. Enforcement.**

WSURF intends to protect Licensed Patents against infringers or otherwise act to eliminate infringement when, in WSURF's sole judgment, such action may be reasonably necessary, proper, and justified. In the event that Licensee believes there is infringement of any Licensed Patent under this Agreement that is to Licensee's substantial detriment, Licensee shall provide WSURF with notification and reasonable evidence of such infringement.

**Section 10. Product Liability; Conduct of Business.**

- 10.1 Licensee, its Affiliates and its Sublicensee(s) shall, at all times during the term of this Agreement and thereafter, indemnify, defend and hold WSURF, Washington State University and its employees, and the inventors of the Licensed Patents harmless against all claims and expenses, including legal expenses and reasonable attorneys fees, arising out of the death of or injury to any person or persons or out of any damage to property and against any other claim, proceeding, demand, expense and liability of any kind whatsoever, including patent infringement claims, resulting from the production, manufacture, sale, use, lease, consumption or advertisement of Licensed Products arising from any right or obligation of Licensee or any Sublicensee hereunder. Notwithstanding the above, WSURF at all times reserves the right to retain counsel of its own to defend WSURF's, Washington State University's, and the inventor's interests.
- 10.2 Licensee warrants that it now maintains and will continue to maintain liability insurance coverage appropriate to

the risk involved in marketing the products subject to this Agreement and that such insurance coverage lists WSURF, Washington State University, and the inventors of the Licensed Patents as additional insureds. Within \_\_\_\_\_ ( ) days after the execution of this Agreement and thereafter annually between January 1 and January 31 of each year, Licensee will present evidence to WSURF, that the coverage is being maintained with WSURF, Washington State University, and its inventors listed as additional insureds. In addition, Licensee shall provide WSURF with at least thirty (30) days prior written notice of any change in or cancellation of the insurance coverage.

**Section 11. Use of Names.**

Licensee, its Affiliates and its Sublicensee(s) shall not use WSURF's name, the name of any inventor of Licensed Patents governed by this Agreement, or the name of Washington State University in any sales promotion, advertising, or any other form of publicity without the prior written approval of WSURF.

**Section 12. Miscellaneous.**

- 12.1 This Agreement is made in Pullman, Washington, and shall be construed and interpreted in accordance with the law of the State of Washington, United States of America, without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted. By its execution and delivery of this Agreement, Licensee hereby accepts the jurisdiction of a court of competent jurisdiction sitting in the State of Washington in any legal action or proceeding relating to this Agreement. No right or remedy conferred upon or reserved to the Parties pursuant to this Agreement is exclusive of any other right or remedy provided or permitted at law or in equity. Each Party acknowledges that any violation or threatened violation of this Agreement would cause irreparable injury and that money alone would not be adequate to redress such injury. If any provisions of this Agreement are or shall come into conflict with the laws or regulations of any jurisdiction or any governmental entity having jurisdiction over the Parties or this Agreement, those provisions shall be deemed automatically severed and deleted, if such severance and deletion is allowed by relevant law, and the remaining terms and conditions of this Agreement shall remain in full force and effect. The Parties agree to substitute new terms as similar in effect to the severed or deleted terms as may be allowed under the applicable laws and regulations. The Parties hereto are independent contractors and not joint venturers or partners.
- 12.2 Licensee shall insure that it, its Affiliates and its Sublicensee(s) apply patent markings that meet all requirements of U.S. law, 35 U.S.C. §287, with respect to all Licensed Products subject to this Agreement. Licensee agrees to comply with the requirements of U.S. law 35 U.S.C. § 200-212 with respect to inventions funded by the U.S. government.
- 12.3 Except as otherwise expressly provided herein, this Agreement, with all of the attachments hereto, constitutes the full understanding between the Parties with reference to the subject matter hereof, and no statements or agreements by or between the Parties made prior to or at the signing hereof, whether orally or in writing, shall vary or modify the written terms of this Agreement. All attachments referred to in this Agreement shall be attached hereto and are incorporated herein by reference. The failure of either Party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar failure to perform any such term or condition by the other Party. Neither Party shall claim any amendment, modification, or release from any provisions of this Agreement by mutual agreement, acknowledgment, or otherwise, unless such mutual agreement is in writing, signed by the other Party, and specifically states that it is an amendment to this Agreement. This Agreement may be executed in one or more counterparts and any Party hereto may execute any such counterparts each of which shall be deemed an original and all of which, taken together, shall constitute but one and the same document. It shall not be necessary in making proof of this document or any counterpart hereof to produce or account for any of the other counterparts.

12.4 In the event Licensee contests the validity of any Licensed Patent, Licensee shall continue to pay royalties with respect to that patent as if such contest were not underway until the patent is finally adjudicated invalid or unenforceable by a court of last resort; provided, however, notwithstanding any such final adjudication of invalidity or unenforceability, the full royalty payment due under this Agreement shall continue to be paid on any Licensed Technology incorporating or based on Licensed Data or on any Licensed Patent which has not been finally adjudicated invalid or unenforceable by a court of last resort; and further provided Licensee shall have no recourse against WSURF for any royalties paid or due to be paid prior to such final adjudication.

12.5 Licensee shall not encumber or otherwise grant a security interest in any of the rights granted hereunder to any third party.

**Section 13. Notices.**

Any notice required to be given pursuant to the provisions of this Agreement shall be in writing and shall be deemed to have been given at the earlier of the time when actually received as a consequence of any effective method of delivery, including but not limited to hand delivery, transmission by telecopier, addressed to the party for whom intended at the address below or at such changed address as the party shall have specified by written notice, provided that any notice of change of address shall be effective only upon actual receipt.

13.1 Washington State University Research Foundation  
Attn: Executive Director  
1610 NE Eastgate Boulevard  
Pullman, WA 99163

13.2 Licensee \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Section 14. Contract Formation and Authority.**

14.1 No agreement between the parties shall exist unless the duly authorized representative of Licensee and the Executive Director of WSURF have signed this document within thirty (30) days of the Effective Date written on the first page of this Agreement.

14.2 WSURF and Licensee hereby warrant and represent that the persons signing this Agreement have authority to execute this Agreement on behalf of the party for whom they have signed.

**Section 15. United States Government Interests.**

It is understood that the United States Government (through any of its agencies or otherwise) has funded research, Grant No. \_\_\_\_\_, during the course of or under which any of the inventions of the Licensed Patents were conceived or made. The United States Government is entitled, as a right, under the provisions of 35 U.S.C. §202-212 and applicable regulations of Title 37 of the Code of Federal Regulations, to a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced the inventions of such Licensed Patents for governmental purposes. Any license granted to Licensee in this Agreement shall be subject to such right.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

**WASHINGTON STATE UNIVERSITY  
RESEARCH FOUNDATION**

**LICENSEE**

\_\_\_\_\_  
Keith Jones, Ph.D.  
Executive Director

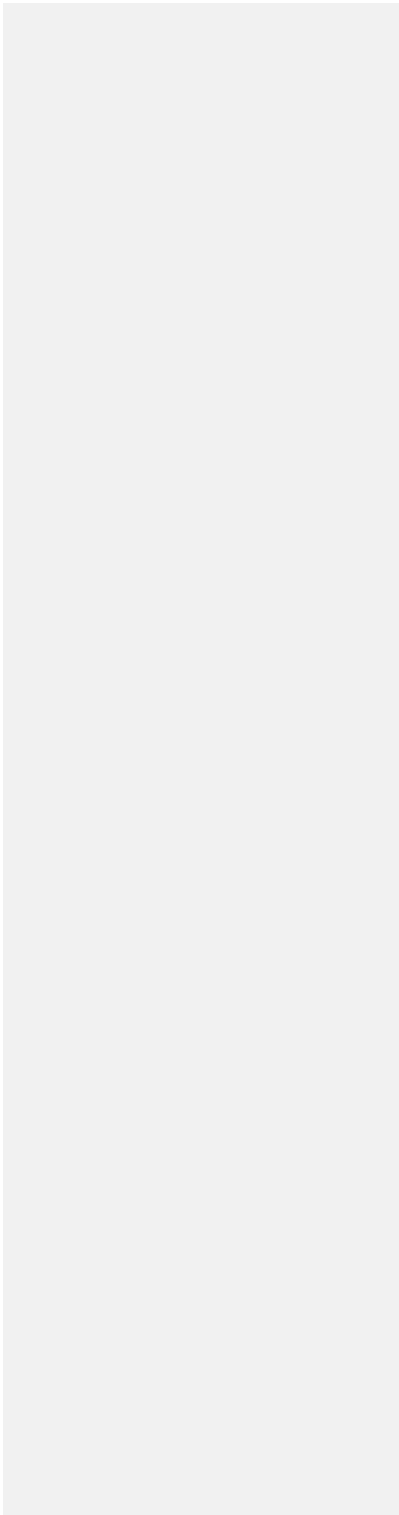
\_\_\_\_\_  
Name  
Title

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

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

\*\*\*\*\*

WSURF Ref #:



**APPENDIX A**

**DEVELOPMENT PLAN**

A development plan of the scope outlined below shall be submitted to WSURF by Licensee prior to the execution of this agreement. In general, the plan should provide WSURF with a summary overview of the activities that Licensee believes are necessary to bring products to the marketplace.

- I. Development Program
  - A. Development activities to be undertaken  
(Please break activities into subunits with the date of completion of major milestones)
    - 1.
    - 2.
    - 3.
    - 4.
  - B. Estimated total development time
- II. Governmental Approval
  - A. Types of submissions required
  - B. Government agency, e.g., FDA, EPA, etc.
- III. Proposed Market Approach
- IV. Competitive Information
  - A. Potential competitors
  - B. Potential competitive devices/compositions
  - C. Known competitor's plans, developments, technical achievements
  - D. Anticipated date of product launch

Total Length: approximately 2-3 pages

**APPENDIX B**  
**DEVELOPMENT REPORT**

When appropriate, indicate estimated start date and finish date for activities.

- A. Date Development Plan Initiated and Time Period Covered by this Report.
- B. Development Report (4-8 paragraphs).
  - 1. Activities completed since last report including the object and parameters of the development, when initiated, when completed and the results.
  - 2. Activities currently under investigation, i.e., ongoing activities including object and parameters of such activities, when initiated, and projected date of completion.
- C. Future Development Activities (4-8 paragraphs).
  - 1. Activities to be undertaken before next report including, but not limited to, the type and object of any studies conducted and their projected starting and completion dates.
  - 2. Estimated total development time remaining before a product will be commercialized.
- D. Changes to Initial Development Plan (2-4 paragraphs).
  - 1. Reasons for change.
  - 2. Variables that may cause additional changes.
- E. Items to be Provided if Applicable:
  - 1. Information relating to Licensed Products that has become publicly available, e.g., published articles, competing products, patents, etc.
  - 2. Development work being performed by third parties, other than Licensee, to include name of third party, reasons for use of third party, planned future uses of third parties including reasons why and type of work.
  - 3. Update of competitive information trends in industry, government compliance (if applicable) and market plan.
  - 4. Information and copies of relevant materials evidencing the status of any patent applications or other protection relating to Licensed Products or the Licensed Patents.

**PLEASE SEND DEVELOPMENT REPORTS TO:**

Washington State University Research Foundation  
Attn.: Executive Director  
1610 NE Eastgate Boulevard  
Pullman, WA 99163

APPENDIX C  
WSURF ROYALTY REPORT

Licensee: \_\_\_\_\_ Agreement No.: \_\_\_\_\_  
 Inventor: \_\_\_\_\_ P#: **P** \_\_\_\_\_  
 Period Covered: From: \_\_\_/\_\_\_/2007 Through: \_\_\_/\_\_\_/2007  
 Prepared By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Approved By: \_\_\_\_\_ Date: \_\_\_\_\_

If license covers several major product lines, please prepare a separate report for each line. Then combine all product lines into a summary report.

Report Type: **Single Product Line Report:** \_\_\_\_\_

**Multiproduct Summary Report.** Page 1 of \_\_\_\_\_ Pages

**Product Line Detail.** Line: \_\_\_\_\_ Trade name: \_\_\_\_\_ Page: \_\_\_\_\_

Report Currency: **U. S. Dollars** Other \_\_\_\_\_

Country	Gross Sales	* Less: Allowances	Net Sales	Royalty Rate	Period Royalty Amount	
					This Year	Last Year
U.S.A.						
Canada						
Europe:						
Japan						
Other:						
<b>TOTAL:</b>						

Total Royalty: \_\_\_\_\_ Conversion Rate: \_\_\_\_\_ Royalty in U.S. Dollars: \$ \_\_\_\_\_

The following royalty forecast is non-binding and for WSURF's internal planning purposes only:

Royalty Forecast Under This Agreement: Next Quarter: \_\_\_\_\_ Q2: \_\_\_\_\_ Q3: \_\_\_\_\_ Q4: \_\_\_\_\_

Comment [KS1]: Page: 13

APPENDIX D  
LICENSED PATENTS

