LICENSE AGREEMENT
BETWEEN
RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK
AND
XYZ CORPORATION

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THIS AGREEMENT is made and entered into this ____________day of_________________, ________, (“Effective Date”) by and between The Research Foundation Of The City University Of New York (hereinafter referred to as “LICENSOR”), with principal offices located at 230 West 41st St., 7th Floor, New York, NY 10036, and XYZ CORPORATION, a corporation duly organized and existing under the laws of __________and having its principal office at _______________________, (hereinafter referred to as “LICENSEE”),
WITNESSETH:

WHEREAS, LICENSOR is the owner of certain "Patent Rights" (as later defined herein) relating to ____________________________, CUNY TCO Docket No._______________________, and has the right to grant licenses under said Patent Rights, <add if appropriate: subject only to a royalty-free, nonexclusive license heretofore granted to the United States Government>;

WHEREAS, LICENSOR desires to have the Patent Rights utilized in the public interest and is willing to grant a license thereunder;

WHEREAS, LICENSEE has represented to LICENSOR, to induce LICENSOR to enter into this Agreement, that LICENSEE is experienced in the development, production, manufacture, marketing and sale of products similar to the "Licensed Product(s)" (as later defined herein) and/or the use of the "Licensed Process(es)" (as later defined herein) and that it shall commit itself to a thorough, vigorous and diligent program of exploiting the Patent Rights so that public utilization shall result therefrom; and

WHEREAS, LICENSEE desires to obtain a license under the Patent Rights upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I - DEFINITIONS

For the purposes of this Agreement, the following words and phrases shall have the following meanings:

1.1 "LICENSEE" shall mean <XYZ CORPORATION> and any Subsidiary of <XYZ CORPORATION>.

1.2 "LICENSOR" shall mean THE RESEARCH FOUNDATION OF THE CITY UNIVERSITY OF NEW YORK (RFCUNY) as fiduciary agent in behalf of THE CITY UNIVERSITY OF NEW YORK (CUNY) and its plurality of educational institutions.

1.3 "Subsidiary" shall mean any corporation, company or other entity more than fifty percent (50%) of whose voting stock is owned or controlled directly or indirectly by LICENSEE.
1.4  "Patent Rights" shall mean all of the following intellectual property:

(a) the United States and foreign patents and/or patent applications listed in Appendix A;

(b) United States and foreign patents issued from the applications listed in Appendix A and from divisionals and continuations of these applications;

(c) claims of U.S. and foreign continuation-in-part applications, and of the resulting patents, which are directed to subject matter specifically described in the U.S. and foreign applications listed in Appendix A;

(d) claims of all later filed foreign patent applications, and of the resulting patents, which are directed to subject matter specifically described in the United States patents and/or patent applications described in (a), (b), or (c) above;

(e) any reissues of United States patents described in (a), (b), (c), or (d) above.

1.5 A "Licensed Product" shall mean any product or part thereof which:

(a) is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Patent Rights in the country in which any Licensed Product is made, used or sold;

(b) is manufactured by using a process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Patent Rights in the country in which any Licensed Process is used or in which the Licensed Product is used or sold.

1.6 A "Licensed Process" shall mean any process which is covered in whole or in part by an issued, unexpired claim or a pending claim contained in the Patent Rights.
1.7 “Net Sales Revenue” shall mean the gross amount received by LICENSEE, whether in cash or trade, for Licensed Products or Licensed Processes, less the following:

(a) Reasonable discounts allowed in amounts customary in the trade;

(b) Sales, tariff duties and/or use taxes directly imposed and with reference to particular sales;

(c) Outbound transportation prepaid or allowed;

(d) Amounts allowed or credited on returns; AND

(e) However, NO deductions shall be made for commissions paid to individuals whether they be with independent sales agencies or regularly employed by LICENSEE and on its payroll, or for cost of collections.

<1.8 "Territory" shall mean ____________.

<1.9 "Field of Use" shall mean ____________.

ARTICLE II - GRANT

2.1 LICENSOR hereby grants to LICENSEE the right and license
to make, have made, use, lease and sell the Licensed Products, and to practice the Licensed Processes <in the Territory for the Field of Use> to the end of the term for which the Patent Rights are granted unless sooner terminated according to the terms hereof; provided, however, that LICENSOR shall retain a royalty-free, nonexclusive, irrevocable license to practice the Patent Rights for research purposes only.

2.2 In order to establish a period of exclusivity for LICENSEE, LICENSOR hereby agrees that it shall not grant any other license to make, have made, use, lease and sell Licensed Products or to utilize Licensed Processes <in
the Territory for the Field of Use> during the period of time commencing with the Effective Date of this Agreement and terminating with the first to occur of:

(a) The expiration of ________________ ( ) years after the first commercial sale of a Licensed Product or first commercial use of a Licensed Process; or

(b) The expiration of ________________ ( ) years after the Effective Date of this Agreement.

2.3 At the end of the exclusive period, the license granted hereunder shall become nonexclusive and shall extend to the end of the term or terms for which any Patent Rights are issued, unless sooner terminated as hereinafter provided.

2.4 LICENSEE shall have the right to enter into sublicensing agreements for the rights, privileges and licenses granted hereunder only during the exclusive period of this Agreement. Such sublicenses may extend past the expiration date of the exclusive period of this Agreement, but any exclusivity of such sublicenses will expire upon the expiration of LICENSEE's exclusivity.

2.5 LICENSEE hereby agrees that every sublicensing agreement to which it shall be a party and which shall relate to the rights, privileges and license granted hereunder shall contain a statement setting forth the date upon which LICENSEE'S exclusive rights, privileges and license hereunder shall terminate.

2.6 LICENSEE agrees that any sublicenses granted by it shall provide that the obligations to LICENSOR of Articles II, V, VII, VIII, IX, X, XII, XIII, and XV of this Agreement shall be binding upon the sublicensee as if it were a party to this Agreement. LICENSEE further agrees to attach copies of these Articles to sublicense agreements.

2.7 LICENSEE agrees to forward to LICENSOR a copy of any and all fully executed sublicense agreements, and further agrees to forward to LICENSOR annually a copy of such reports received by LICENSEE from its sublicensees during the preceding twelve (12) month period under the sublicenses as shall be pertinent to a royalty accounting under said sublicense agreements.

2.8 LICENSEE shall not receive from sublicensees anything of value in lieu of cash payments based upon payment obligations of any sublicense under this Agreement, without the express prior written permission of LICENSOR.
2.9 The license granted hereunder shall not be construed to confer any rights upon LICENSEE by implication, estoppel or otherwise as to any technology not specifically set forth in Appendix A hereof.

ARTICLE III - DUE DILIGENCE

3.1 LICENSEE shall use its best efforts to bring one or more Licensed Products or Licensed Processes to market through a thorough, vigorous and diligent program for exploitation of the Patent Rights.

3.2 In addition, LICENSEE shall adhere to the following milestones:

(a) LICENSEE shall deliver to LICENSOR on or before DATE ____________ a business plan showing the amount of money, number and kind of personnel and time budgeted and planned for each phase of development of the Licensed Products and Licensed Processes and shall provide similar reports to LICENSOR on an annual basis on or before the ninetieth (90th) day following the close of LICENSEE's fiscal year.

(b) LICENSEE shall develop a working model on or before <DATE>____________, and permit an in-plant inspection by LICENSOR on or before <DATE>____________, and thereafter permit in-plant inspections by LICENSOR at regular intervals with at least SIX (6) months between each such inspection.

(c) LICENSEE shall make sales according to the following schedule:

2002 _____ units;
2003 _____ units;
2004 _____ units;
2005 and each year thereafter _____ units.

(d) Other milestones depending on invention being licensed.>
3.3 LICENSEE's failure to perform in accordance with Paragraphs 3.1 and 3.2 above shall be grounds to terminate this Agreement pursuant to Paragraph 13.3 hereof.

**ARTICLE IV - ROYALTIES**

4.1 For the rights, privileges and license granted hereunder, LICENSEE shall pay to LICENSOR in the manner hereinafter provided to the end of the term of the Patent Rights or until this Agreement shall be terminated as hereinafter provided:

(a) A license issue fee of _______ Dollars ($_____), which shall be deemed earned and due immediately upon the execution of this Agreement.

(b) A royalty in an amount equal to ___ percent (%) of the Net Sales Revenue of the Licensed Products or Licensed Processes used, leased or sold by or for LICENSEE or its sublicensees.

(c) In the event that LICENSEE's annual royalty payment to LICENSOR hereunder for licensed operations during the calendar year ____ and each year thereafter during the exclusive period shall fall below the sum of Dollars ($_____), LICENSEE shall, with its last report for each said year, pay to LICENSOR the difference between said sum and the total royalties paid to LICENSOR for each said year under 4.1(b) above.

(d) In the event that LICENSEE'S annual royalty payment to LICENSOR hereunder for licensed operations during each calendar year of the nonexclusive period shall fall below the sum of _______ Dollars ($_____), then LICENSEE shall, with its last report for each said year, pay to LICENSOR the difference between said sum and the total royalties paid for each said year under 4.1(b) above.

4.2 No multiple royalties shall be payable because any Licensed Product, its manufacture, use, lease or sale are or shall be covered by more than one Patent Rights Patent Application or Patent Rights Patent licensed under this Agreement.
4.3 Royalty payments shall be paid in United States dollars in New York, NY, or at such other place as may reasonably designate consistent with the laws and regulations controlling in any foreign country. If any currency conversion shall be required in connection with the payment of royalties hereunder, such conversion shall be made by using the exchange rate prevailing at the Chase Bank (NY, NY) on the last business day of the calendar quarterly reporting period to which such royalty payments relate.

<4.4 No royalty shall be due based upon LICENSEE's sales pursuant to the above said royalty-free nonexclusive license heretofore granted to the United States Government.>

ARTICLE V - REPORTS AND RECORDS

5.1 LICENSEE shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to LICENSOR hereunder. Said books of account shall be kept at LICENSEE's principal place of business or the principal place of business of the appropriate Division of LICENSEE to which this Agreement relates. Said books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to the inspection of LICENSOR or its agents for the purpose of verifying LICENSEE's royalty statement or compliance in other respects with this Agreement.

5.2 LICENSEE, within thirty (30) days after March 31, June 30, September 30 and December 31, of each year, shall deliver to LICENSOR true and accurate reports, giving such particulars of the business conducted by LICENSEE and its sublicensees during the preceding three-month period under this Agreement as shall be pertinent to a royalty accounting hereunder. These shall include at least the following:

(a) Number of Licensed Products manufactured and sold.

(b) Total billings for Licensed Products sold.

(c) Accounting for all Licensed Processes used or sold.
(d) Deductions applicable as provided in Paragraph 1.6.

(e) Total royalties due.

(f) Names and addresses of all sublicensees of LICENSEE.

(g) Licensed Products manufactured and sold to the United States Government. (No royalty obligations shall arise due to use by, for or on behalf of the United States Government in view of a royalty-free, nonexclusive license heretofore granted to the United States Government).

5.3 With each such report submitted, LICENSEE shall pay to LICENSOR the royalties due and payable under this Agreement. If no royalties shall be due, LICENSEE shall so report.

5.4 On or before the ninetieth (90th) day following the close of LICENSEE's fiscal year, LICENSEE shall provide LICENSOR with LICENSEE's certified financial statements for the preceding fiscal year including, at a minimum, a Balance Sheet and an Operating Statement.

5.5 The royalty payments set forth in this Agreement shall, if overdue, bear interest until payment at a per annum rate four percent (4%) above the prime rate in effect at the Chase Bank (NY, NY) on the due date. The payment of such interest shall not foreclose LICENSOR from exercising any other rights it may have as a consequence of the lateness of any payment.

ARTICLE VI - PATENT PROSECUTION

6.1 LICENSOR shall make reasonable efforts to apply for, seek prompt issuance of, and maintain during the term of this Agreement the Patent Rights. The prosecution and maintenance of all Patent Rights Patents and Applications shall be the primary responsibility of LICENSOR; provided, however, LICENSEE shall have reasonable opportunities to advise LICENSOR and shall cooperate with LICENSOR in such prosecution and maintenance.

6.2 Payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patent Rights in the United States shall be borne by and be the responsibility of LICENSEE, as invoiced. Payment of all fees and costs relating to the filing, prosecution, and maintenance of the Patent Rights outside of the
United States shall likewise be the responsibility of LICENSEE. Reimbursement and repayment of any such payments made by LICENSOR shall be made by LICENSEE to, and upon request by, LICENSOR, upon 30 days of invoice delivered made pursuant to the notice provision of this Agreement under Article XIV.

ARTICLE VII - INFRINGEMENT

7.1 LICENSEE shall inform LICENSOR promptly in writing of any alleged infringement of the Patent Rights by a third party and of any available evidence thereof.

7.2 During the term of this Agreement, LICENSOR shall have the right, but shall not be obligated, to prosecute at its own expense any such infringements of the Patent Rights and, in furtherance of such right, LICENSEE hereby agrees that may join LICENSEE as a party plaintiff in any such suit, without expense to LICENSOR. The total cost of any such infringement action commenced or defended solely by LICENSOR shall be borne by LICENSOR and LICENSOR keep any recovery or damages for past infringement derived therefrom.

7.3 If within six (6) months after having been notified of any alleged infringement, LICENSOR shall have been unsuccessful in persuading the alleged infringer to desist and shall not have brought and shall not be diligently prosecuting an infringement action, or if LICENSOR shall notify LICENSEE at any time prior thereto of its intention not to bring suit against any alleged infringer, then, and in those events only, LICENSEE shall have the right, but shall not be obligated, to prosecute at its own expense any infringement of the Patent Rights, and LICENSEE may, for such purposes, use the name of LICENSOR as party plaintiff; provided, however, that such right to bring an infringement action shall remain in effect only for so long as the license granted herein remains exclusive. No settlement, consent judgment or other voluntary final disposition of the suit may be entered into without the consent of LICENSOR, which consent shall not unreasonably be withheld. LICENSEE shall indemnify against any order for costs that may be made against LICENSOR in such proceedings.

7.4 In the event that LICENSEE shall undertake the enforcement and/or defense of the Patent Rights by litigation, LICENSEE may withhold up to
fifty percent (50%) of the royalties otherwise thereafter due LICENSOR hereunder and apply the same toward reimbursement of its expenses, including reasonable attorneys' fees, in connection therewith. Any recovery of damages by LICENSEE for any such suit shall be applied first in satisfaction of any unreimbursed expenses and legal fees of LICENSEE relating to the suit, and next toward reimbursement of LICENSOR for any royalties past due or withheld and applied pursuant to this Article VII. The balance remaining from any such recovery shall be divided equally between LICENSEE and LICENSOR.

7.5 In the event that a declaratory judgment action alleging invalidity or noninfringement of any of the Patent Rights shall be brought against LICENSEE, then LICENSOR, at its option, shall have the right, within thirty (30) days after commencement of such action, to intervene and take over the sole defense of the action at its own expense.

7.6 In any infringement suit as either party may institute to enforce the Patent Rights pursuant to this Agreement, the other party hereto shall, at the request and expense of the party initiating such suit, cooperate in all respects and, to the extent possible, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

7.7 LICENSEE, during the exclusive period of this Agreement, shall have the sole right in accordance with the terms and conditions herein to sublicense any alleged infringer <in the Territory for the Field of Use> for future use of the Patent Rights.

ARTICLE VIII - PRODUCT LIABILITY

8.1 LICENSEE shall at all times during the term of this Agreement and thereafter, indemnify, defend and hold LICENSOR, its trustees, officers, employees and affiliates, 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 resulting from the production, manufacture, sale, use, lease, consumption or advertisement of the Licensed Product(s) and/or Licensed Process(es) or arising from any obligation of LICENSEE hereunder.
8.2 LICENSEE shall obtain and carry in full force and effect liability insurance which shall protect LICENSEE and LICENSOR in regard to events covered by Paragraph 8.1 above.

8.3 Except as otherwise expressly set forth in this Agreement, makes no representations and extends no warranties of any kind, either express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose, and validity of Patent Rights claims, issued or pending.

ARTICLE IX - EXPORT CONTROLS

It is understood that LICENSEE SHALL COMPLY WITH United States laws and regulations controlling the export of technical data, computer software, laboratory prototypes and other commodities (including the Arms Export Control Act, as amended and the Export Administration Act of 1979), and that its obligations hereunder are contingent on compliance with applicable United States export laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE shall not export data or commodities to certain foreign countries without prior approval of such agency. LICENSOR neither represents that a license shall not be required nor that, if required, it shall be issued.

ARTICLE X - NON-USE OF NAMES

LICENSEE shall not use the name(s) of LICENSOR nor of any of its employees, nor any adaptation thereof, in any advertising, promotional or sales literature without prior written consent obtained from LICENSOR in each case, except that LICENSEE may state that it is licensed by CUNY under one or more of the patents and/or applications comprising the Patent Rights.

ARTICLE XI - ASSIGNMENT

This Agreement may not be assigned.
ARTICLE XII - ARBITRATION

12.1 Except as to issues relating to the validity, construction or effect of any patent licensed hereunder, any and all claims, disputes or controversies arising under, out of, or in connection with this Agreement, which have not been resolved by good faith negotiations between the parties, shall be resolved by final and binding arbitration in New York City, NY under the rules of the American Arbitration Association then obtaining. The arbitrators shall have no power to add to, subtract from or modify any of the terms or conditions of this Agreement. Any award rendered in such arbitration may be enforced by either party in either the courts of the State of New York or in any United States District Court in the City of New York, to whose jurisdiction for such purposes LICENSOR and LICENSEE each hereby irrevocably consents and submits.

12.2 Claims, disputes or controversies concerning the validity, construction or effect of any patent licensed hereunder shall be resolved in any court having jurisdiction thereof.

12.3 In the event that, in any arbitration proceeding, any issue shall arise concerning the validity, construction or effect of any patent licensed hereunder, the arbitrators shall assume the validity of all claims as set forth in such patent; in any event the arbitrators shall not delay the arbitration proceeding for the purpose of obtaining or permitting either party to obtain judicial resolution of such issue, unless an order staying such arbitration proceeding shall be entered by a court of competent jurisdiction. Neither party shall raise any issue concerning the validity, construction or effect of any patent licensed hereunder in any proceeding to enforce any arbitration award hereunder or in any proceeding otherwise arising out of any such arbitration award.

12.4 Notwithstanding the foregoing, nothing in this Article shall be construed to waive any rights or timely performance of any obligations existing under this Agreement.

ARTICLE XIII - TERMINATION

13.1 If LICENSEE shall cease to carry on its business, this Agreement shall terminate upon notice attempted in good faith by LICENSOR.
13.2 Should LICENSEE fail to pay royalties due and payable hereunder, LICENSOR shall have the right to terminate this Agreement on thirty (30) days' notice, unless LICENSEE shall pay LICENSOR within the thirty (30) day period, all such royalties and interest due and payable. Upon the expiration of the thirty (30) day period, if LICENSEE shall not have paid all such royalties and interest due and payable, the rights, privileges and license granted hereunder shall terminate.

13.3 Upon any material breach or default of this Agreement by LICENSEE, other than those occurrences set out in Paragraphs 13.1 and 13.2 hereinabove, which shall always take precedence in that order over any material breach or default referred to in this Paragraph 13.3, _____ shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder by ninety (90) days' notice to LICENSEE. Such termination shall become effective unless LICENSEE shall have cured any such breach or default prior to the expiration of the ninety (90) day period.

13.4 LICENSEE shall have the right to terminate this Agreement at any time on six (6) months' notice to LICENSOR, and upon payment of all amounts due through the effective date of the termination.

13.5 Upon termination of this Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. LICENSEE and any sublicensee thereof may, however, after the effective date of such termination, sell all Licensed Products, and complete Licensed Products in the process of manufacture at the time of such termination and sell the same, provided that LICENSEE shall pay to LICENSOR the royalties thereon as required by Article IV of this Agreement and shall submit the reports required by Article V hereof on the sales of Licensed Products.

13.6 Upon termination of this Agreement for any reason during the exclusive period, any sublicensee not then in default shall have the right to seek a license from LICENSOR

ARTICLE XIV - PAYMENTS, NOTICES
AND OTHER COMMUNICATIONS
Any payment, notice or other communication pursuant to this Agreement shall be sufficiently made or given on the date of mailing if sent to such party by express mail with delivery confirmation, by certified first class mail, postage prepaid, or by such other physical delivery with receipt, or by electronic messaging that is acknowledged by the receiving party, as addressed to it at its address below or as it shall designate by written notice given to the other party:

In the case of LICENSOR:

<title>
<company>
<address>
<fax phone address>
Office phone number:
Email address

In the case of LICENSEE:

<title>
<company>
<address>
<fax phone address>
Office phone number:
Email address
ARTICLE XV - MISCELLANEOUS PROVISIONS

15.1 LICENSEE further agrees to make best efforts to assure that Licensed Products leased or sold in the United States shall have such content as has been manufactured in the United States to the extent that such is commercially reasonable.

15.2 LICENSEE agrees to mark the Licensed Products sold in the United States with all applicable United States patent numbers. All Licensed Products shipped to or sold in other countries shall be marked in such a manner as to conform with the patent laws and practice of the country of manufacture or sale.

15.3 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of New York U.S.A., except that questions affecting the construction and effect of any patent shall be determined by the law of the country granting such patent.

15.4 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or unenforceable under any controlling body of the law, such invalidity or unenforceability shall not in any way affect the validity or enforceability of the remaining provisions hereof.

15.5 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 subsequent failure to perform any such term or condition by the other party.

15.6 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto; This agreement may be completed by assembly of signed duplicate originals.

IN WITNESS WHEREOF, the parties, being duly authorized to execute
this Agreement, have hereunto set their hands and seals and duly executed this Agreement as set forth below.

AGREED TO:

THE RESEARCH FOUNDATION
OF THE CITY UNIVERSITY OF
NEW YORK, LICENSOR,

By Authorized Representative:
Name
Title
Date

<Company Name>,
LICENSEE,

By Authorized Representative:
Name
Title
Date
Appendix A

Docket No. XXXXXXXXX,
Title: "____________"
By