

INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION AGREEMENT

THIS INTELLECTUAL PROPERTY OWNERSHIP AND PROTECTION AGREEMENT (this "Agreement") is made and entered into as of January 15, 2024 (the "Effective Date"), by and between NEXUS INDUSTRIAL INTELLIGENCE, INC., a Delaware corporation with its principal place of business at 2500 Innovation Drive, Suite 400, Wilmington, Delaware 19801 ("Company").

1.0 RECITALS

WHEREAS, Company has developed proprietary artificial intelligence and machine learning technologies, including computer vision systems, edge computing solutions, and industrial process optimization algorithms (collectively, the "Technology Stack");

WHEREAS, Company's proprietary NexusCore™ Industrial AI Platform integrates with industrial control systems and IoT sensors to enable intelligent automation and operational excellence;

WHEREAS, Company desires to establish and document the ownership, protection, and permitted uses of its intellectual property assets;

NOW, THEREFORE, Company hereby establishes the following terms and conditions regarding its intellectual property:

2.0 DEFINITIONS AND INTERPRETATION

2.1 "Artificial Intelligence Components" means any and all machine learning models, neural networks, computer vision algorithms, decision trees, natural language processing systems, predictive analytics engines, reinforcement learning models, and other artificial intelligence technologies developed by or for Company, including all associated training data, model weights, and optimization parameters.

2.2 "Company IP" means all Intellectual Property Rights owned by or licensed to Company, including without limitation the Technology Stack, NexusCore™ Platform, and all Artificial Intelligence Components, together with all modifications, improvements, derivatives, and enhancements thereof.

2.3 "Industrial Process Data" means any data collected, processed, or generated through the use of the NexusCore™ Platform in connection with industrial manufacturing operations, including but not limited to sensor readings, quality metrics, production statistics, equipment performance data, environmental measurements, and process control parameters.

2.4 "Intellectual Property Rights" means all rights in and to: (a) patents, patent applications, and patent rights; (b) trademarks, trademark applications, trade names, service marks, brand names, logos and trade dress; (c) copyrights, copyright registrations and applications; (d) trade secrets and confidential information; (e) software and firmware, including source code, object code, files, documentation, and other materials; (f) all other intellectual property rights and proprietary rights; and (g) all renewals, extensions, continuations and divisionals thereof, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights.

2.5 "NexusCore™ Platform" means Company's proprietary software platform that combines computer vision, machine learning, and edge computing capabilities to deliver real-time analytics and automated decision support for manufacturing operations, including all associated modules, APIs, user interfaces, and documentation.

2.6 "Technology Stack" shall have the meaning set forth in the Recitals and includes all software components, frameworks, libraries, and tools utilized in the development, deployment, and operation of the NexusCore™ Platform.

2.7 "Edge Computing System" means the distributed computing architecture that processes data near the source of data generation, including all hardware components, embedded software, and communication protocols deployed at manufacturing facilities.

2.8 "Computer Vision System" means the collection of algorithms, models, and software components that enable visual data processing, object detection, feature extraction, and image analysis capabilities within the NexusCore™ Platform.

2.9 "Machine Learning Models" means the mathematical models, statistical algorithms, and associated parameters that enable pattern recognition, prediction, and automated decision-making within the NexusCore™ Platform.

2.10 For purposes of interpretation: (a) the words "include," "includes," and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto," and "hereunder" refer to this Agreement as a whole; and (d) references to sections or exhibits are to sections or exhibits of this Agreement unless otherwise specified.

2.11 Unless the context otherwise requires, references herein: (i) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and (ii) to a statute means such statute as amended from time to time and includes any successor legislation thereto.

3.0 INTELLECTUAL PROPERTY OWNERSHIP

3.1 Company Ownership. Company is and shall remain the sole and exclusive owner of all right, title and interest in and to:

- (a) All pre-existing Company IP, including any intellectual property developed, acquired, or owned by Company prior to any engagement with contractors, employees, or third parties;
- (b) All improvements, modifications, and derivative works of Company IP, regardless of the party creating such improvements or modifications, including but not limited to: (i) Enhanced functionality or features (ii) Performance optimizations (iii) User interface modifications (iv) Integration components (v) Custom implementations
- (c) All Artificial Intelligence Components, including but not limited to: (i) Machine learning models and algorithms, including training data, model architectures, and hyperparameters (ii) Neural network architectures, including layer configurations, activation functions, and weight matrices (iii) Computer vision systems, including object detection, image classification, and scene understanding components (iv) Edge computing implementations, including distributed processing algorithms and local inference engines (v) Process optimization methodologies, including genetic algorithms and reinforcement learning systems (vi) Natural language processing models and associated linguistic databases (vii) Automated decision-making systems and expert systems (viii) Data preprocessing and feature extraction methodologies
- (d) All Industrial Process Data and analytics derived therefrom, including: (i) Raw sensor data and telemetry (ii) Processed and aggregated datasets (iii) Statistical analyses and predictive models (iv) Performance metrics and benchmarks (v) Optimization parameters and configuration settings (vi) Historical operational data and trending analyses
- (e) All documentation, specifications, and technical materials relating to the foregoing, including: (i) System architecture documents (ii) API specifications and integration guides (iii) Training materials and user manuals (iv) Development guidelines and best practices (v) Testing procedures and validation protocols

3.2 Employee and Contractor IP Assignments. All employees and contractors of Company have executed or shall execute written agreements irrevocably assigning to Company all rights in any intellectual property created in the course of their work for Company. Such assignments shall:

- (a) Include all discoveries, inventions, works of authorship, improvements, and innovations;
- (b) Cover work performed during and outside normal business hours if related to Company's business;
- (c) Extend to intellectual property conceived or reduced to practice during the term of employment or engagement;
- (d) Require prompt disclosure of all potentially patentable inventions;

(e) Include obligations to assist in patent prosecution and enforcement.

3.3 Third-Party Technology. Company has obtained and maintains all necessary licenses and rights to any third-party technology incorporated into Company IP, including:

- (a) Commercial software licenses and subscriptions;
- (b) Technology partnership agreements;
- (c) Data licensing arrangements;
- (d) API access and usage rights;
- (e) Patent licenses and cross-licensing agreements.

3.4 Open Source Software. Company maintains records of all open source software used in Company IP and complies with all applicable open source license requirements, including:

- (a) Maintaining a comprehensive inventory of all open source components;
- (b) Documenting the specific version and license terms for each component;
- (c) Ensuring compliance with attribution requirements;
- (d) Managing copyleft obligations and license compatibility;
- (e) Implementing procedures for open source code review and approval.

3.5 IP Protection and Enforcement. Company shall take reasonable measures to protect and enforce its intellectual property rights, including:

- (a) Maintaining appropriate confidentiality measures;
- (b) Implementing security protocols for source code and sensitive data;
- (c) Pursuing patent protection for eligible innovations;
- (d) Registering copyrights for original works;
- (e) Monitoring for potential infringement;
- (f) Taking appropriate legal action to enforce rights when necessary.

3.6 License Grants. Any licenses granted by Company to its intellectual property shall be:

- (a) Express and in writing;
- (b) Limited to the specific scope and purpose defined;
- (c) Subject to appropriate confidentiality obligations;
- (d) Revocable upon breach of license terms;
- (e) Non-transferable unless explicitly stated otherwise.

4.0 IP PROTECTION AND CONFIDENTIALITY

4.1 Trade Secret Protection. Company shall:

- (a) Maintain reasonable security measures to protect Company IP, including but not limited to:
 - (i) Implementation of multi-factor authentication systems;
 - (ii) Regular security audits and vulnerability assessments;
 - (iii) Employee training on security protocols at least bi-annually;
 - (iv) Visitor management systems and secured access points;
- (b) Limit access to Company IP to authorized personnel with a need to know, whereby:
 - (i) Access levels shall be regularly reviewed and updated;
 - (ii) Departing employees' access shall be immediately revoked;
 - (iii) Temporary access shall require documented approval;
 - (iv) Access logs shall be maintained for a minimum of three years;
- (c) Require confidentiality agreements before disclosing Company IP, ensuring:
 - (i) All agreements are legally reviewed and updated annually;
 - (ii) Specific identification of protected information;
 - (iii) Clear definition of permitted uses and restrictions;
 - (iv) Survival terms extending beyond engagement period;
- (d) Mark confidential materials appropriately using standardized classifications:
 - (i) "STRICTLY CONFIDENTIAL" for highest sensitivity materials;
 - (ii) "CONFIDENTIAL" for general protected information;
 - (iii) "INTERNAL USE ONLY" for restricted circulation;
- (e) Maintain physical, technical, and administrative safeguards, including:
 - (i) Environmental controls for server rooms;
 - (ii) Backup power systems;
 - (iii) Disaster recovery protocols;
 - (iv) Regular testing of security systems.

4.2 Patent Protection. Company shall:

- (a) File and prosecute patent applications for patentable aspects of Company IP:
 - (i) Conduct regular invention disclosure reviews;
 - (ii) Maintain detailed invention records;
 - (iii) Prioritize strategic patent filings;
 - (iv) Consider international patent protection;
- (b) Maintain issued patents through:
 - (i) Timely payment of maintenance fees;
 - (ii) Regular portfolio reviews;
 - (iii) Strategic abandonment decisions;
 - (iv) Continuation application strategies;
- (c) Monitor for potential infringement through:
 - (i) Regular market surveillance;
 - (ii) Competitor product analysis;
 - (iii) Patent landscape monitoring;
 - (iv) Industry publication review;
- (d) Take appropriate enforcement action against infringers, including:
 - (i) Cease and desist communications;
 - (ii) Licensing negotiations;
 - (iii) Litigation when necessary;
 - (iv) Alternative dispute resolution.

4.3 Copyright Protection. Company shall:

- (a) Include proper copyright notices on all works, specifying:
 - (i) Year of first publication;
 - (ii) Company name;
 - (iii) All rights reserved statement;
 - (iv) Digital watermarking where applicable;

- (b) Register copyrights for key software and materials through: (i) Timely registration with copyright office; (ii) Deposit of required materials; (iii) Maintenance of registration records; (iv) Regular portfolio review;
- (c) Maintain source code security through: (i) Secure version control systems; (ii) Access logging and monitoring; (iii) Regular backup procedures; (iv) Code signing protocols;
- (d) Document third-party code usage by: (i) Maintaining license inventories; (ii) Conducting compliance reviews; (iii) Updating usage agreements; (iv) Tracking dependencies.

4.4 Data Security. Company shall:

- (a) Encrypt sensitive data using: (i) Industry-standard encryption protocols; (ii) Key management procedures; (iii) Regular algorithm updates; (iv) Secure key storage;
- (b) Implement access controls through: (i) Role-based access management; (ii) Regular permission audits; (iii) Strong password policies; (iv) Session management controls;
- (c) Maintain security incident procedures including: (i) Incident response team designation; (ii) Communication protocols; (iii) Recovery procedures; (iv) Post-incident analysis;
- (d) Conduct regular security assessments covering: (i) Vulnerability scanning; (ii) Penetration testing; (iii) Risk assessments; (iv) Compliance audits.

5.0 LICENSE GRANTS AND RESTRICTIONS

5.1 Platform License. Company may grant limited licenses to the NexusCore™ Platform subject to:

- (a) Written license agreements with customers, which must be executed by authorized representatives of both parties and specify the complete terms of usage, duration, and compensation;
- (b) Restrictions on modification and reverse engineering, including prohibition of any attempts to discover source code, algorithms, or underlying architectural elements;
- (c) Limitations on sublicensing and transfer, requiring explicit written authorization from Company for any transfer of license rights or obligations to third parties;
- (d) Geographic territory restrictions as applicable, including compliance with local laws, export controls, and regional usage boundaries as specified in the license agreement;
- (e) Usage limitations and capacity constraints, including but not limited to number of users, processing volume, data storage, and concurrent access limitations.

5.2 API Access. Company may provide API access subject to:

- (a) Technical documentation requirements, including mandatory adherence to Company's integration guidelines, security protocols, and API versioning policies;

- (b) Usage volume limitations, measured in API calls per second, daily quotas, and aggregate monthly transaction volumes;
- (c) Security and authentication requirements, including implementation of OAuth 2.0 protocols, API key management, and encryption standards;
- (d) Restrictions on creating competing products, including prohibition of using API access to develop, test, or support products that substantially replicate Platform functionality.

5.3 License Implementation Requirements. Licensees must:

- (a) Maintain accurate records of all authorized users and usage metrics;
- (b) Implement reasonable security measures to prevent unauthorized access;
- (c) Report any security breaches or unauthorized access within 24 hours;
- (d) Comply with Company's monitoring and auditing requirements;
- (e) Maintain current versions of all required supporting software and systems.

5.4 Compliance and Enforcement. License compliance shall be subject to:

- (a) Regular audit rights exercisable by Company with 30 days' notice;
- (b) Mandatory compliance reporting on a quarterly basis;
- (c) Immediate remediation of any identified violations;
- (d) Suspension of access rights for uncured violations;
- (e) Financial penalties for confirmed breaches of license terms.

5.5 Restrictions. Unless explicitly authorized in writing, licensees may not:

- (a) Modify, adapt or create derivative works from any part of the Platform;
- (b) Reverse engineer, decompile, or attempt to discover source code;
- (c) Remove, alter, or obscure any proprietary notices or branding;
- (d) Use the Platform for unauthorized purposes or in violation of applicable laws;
- (e) Transfer, sublicense, or assign any rights granted under the license;
- (f) Exceed authorized usage limits or circumvent security measures;
- (g) Share access credentials or enable unauthorized third-party access;
- (h) Integrate the Platform with unauthorized third-party systems;
- (i) Use the Platform to process data in violation of privacy laws;
- (j) Make public statements regarding Platform performance without approval.

5.6 Term and Termination. License grants are subject to:

- (a) Initial term as specified in the license agreement;

- (b) Automatic termination upon material breach;
- (c) Company's right to revoke access with 30 days' notice;
- (d) Immediate cessation of all Platform use upon termination;
- (e) Return or destruction of all confidential information and materials.

6.0 GENERAL PROVISIONS

6.1 Governing Law. This Agreement shall be governed by Delaware law.

6.2 Severability. If any provision is invalid, the remainder shall continue in effect.

6.3 Assignment. This Agreement may not be assigned without Company's written consent.

6.4 Entire Agreement. This Agreement constitutes the complete agreement regarding these matters.

IN WITNESS WHEREOF, Company has executed this Agreement as of the Effective Date.

NEXUS INDUSTRIAL INTELLIGENCE, INC.

By: _____ Name: Dr. Sarah Chen Title: Chief Executive Officer

EXHIBIT A Schedule of Company Patents

EXHIBIT B Open Source Software Schedule

EXHIBIT C Technical Documentation Requirements

[End of Agreement]