

Sample License

DISCLAIMER FOR SAMPLE LICENSE

This sample license is for illustrational and discussion purposes only. The license is included as one of several components of this Licensing Guide for prospective licensees of technology developed at laboratories and facilities operated on behalf of the U.S. Department of Energy (DOE). It is meant to provide prospective licensees with an example of the basic provisions that may be included in a nonexclusive license, and not all provisions are necessarily applicable to every licensing deal. However, in order to provide the most comprehensive guide, we have included many of the provisions that could be part of a nonexclusive license. Therefore, this sample license is not the exact license agreement that you will find at any one DOE laboratory or facility.

Except where indicated below, the language and terms in a license are negotiable. Certain licensing terms are required by DOE to meet legislative requirements, as indicated in this sample license and further outlined in the Licensing Guide. While the intent of these required provisions are generally the same among the laboratories and facilities, the language and breadth of the provisions may vary greatly between different DOE laboratories and facilities. For the specifics on licensing intellectual property from an individual laboratory and facility, we encourage you to contact the technology transfer office at the individual laboratory and facility directly and we have provided a table with the links to the technology transfer websites at the beginning of the Technology Transfer Working Group Licensing Guide.

NONEXCLUSIVE COMMERCIAL PATENT LICENSE AGREEMENT

(Reference #XXXX)

This license agreement (hereinafter “Agreement”), which shall be effective on the date it is executed by the last Party to sign (the “Effective Date”) below, is between [LABORATORY/FACILITY OPERATOR], (hereinafter “Licensor”), Management and Operating Contractor for the [DOE LABORATORY/FACILITY] and [COMPANY NAME], (hereinafter “Licensee”), a for-profit company organized and existing under the laws of the State of [NAME of STATE] and having a principal place of business at [COMPANY ADDRESS], hereinafter referred to individually as “Party” and jointly as “Parties.”

BACKGROUND

Licensor manages and operates [DOE LABORATORY/FACILITY] under authority of its Prime Contract No. [M&O CONTRACT REFERENCE] (hereinafter “Prime Contract”) with the United States Government as represented by the Department of Energy (hereinafter “DOE”);

Licensee is a [TYPE of BUSINESS] business located in [NAME of STATE], and as applicable, has worked closely with [DOE LABORATORY/FACILITY] on [DEFINE the TECHNICAL PARTNERSHIP TYPE], and related projects;

Licensee is interested in acquiring certain rights to Licensor’s inventions and plans to expand its current line of [TYPE] products by developing and commercializing a [PRODUCT LINE] based on such inventions; and

Licensor is willing to grant such rights so that the inventions will be developed and be used to the fullest extent possible for the benefit of the general public.

ARTICLE 1 TERMS & CONDITIONS

THEREFORE, in consideration of the foregoing premises, covenants and agreements contained herein, the Parties agree to be bound as follows:

ARTICLE 2 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth below:

- 2.1 “Accounting Period” means the period from January 1 through December 31 of each year, with the first Accounting Period beginning on the Effective Date.

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

- 2.2 “Dispose,” “Dispose of” or “Disposition” means the sale, lease or other transfer of Licensed Products or Licensed Processes.
- 2.3 “Effective Date” means the date of the signature of the last Party to sign this Agreement.
- 2.4 “Field(s) of Use” means and is limited to _____
- 2.5 “Government” means the Federal Government of the United States of America.
- 2.6 “Gross Sales” means the U.S. Dollar value of all consideration to which Licensee is entitled for the Disposition of Licensed Products and the U.S. Dollar value of all consideration to which the Licensee is entitled for the practice of Licensed Processes. In the event Licensee does not ultimately Dispose of Licensed Products, or Licensee Disposes of Licensed Products for less than fair market value, the fair market value of such Licensed Products (as if there had been a fair market value Disposition to an unaffiliated third party) shall be included in Gross Sales.
- 2.7 “Licensed Patents” means each patent and patent application listed in Exhibit A owned by [LABORATORY/FACILITY OPERATOR’S], and any patents issuing in any country at any time from such application and any divisions, continuations, continuations-in-part (excluding those claims in such applications claiming new subject matter) thereof, and all reissues, reexaminations, inter partes reviews, post-grant reviews, or extensions of any such patents, and all patent applications corresponding to any of the foregoing. The term “Licensed Patents” does not include any patent found to be unenforceable or invalid by a final decision by a Court of competent jurisdiction from which no appeal has or can be taken as of the date of the Court’s finding; provided, however, that Licensee shall pay any such royalties that accrued before such decision or that are based on another patent or claim not involved in such decision.
- 2.8 “Licensed Processes” means any use or service that use, practice, Disposal of, or offer for sale of which, but for the license granted in this Agreement, would infringe or contribute to the infringement of a claim of a Licensed Patent.
- 2.9 “Licensed Products” means any device, apparatus, product, compound, composition of matter, product by process, kit, system, material or algorithm, the manufacture, use, Disposal of, offer for sale, or import of which, but for the license granted in this Agreement, would infringe or contribute to the infringement of a claim of a Licensed Patent.
- 2.10 “Net Sales” means the Gross Sales less the total of the following deductions:
- (a) sales tariffs, duties and/or taxes imposed on the Licensed Products manufactured in the United States;
 - (b) outbound transportation prepaid or allowed; and
 - (c) amounts allowed or credited on returns.

The foregoing deductions must all be directly attributable to the sale of Licensed Products and actually identified on an invoice for such Licensed Products.

- 2.11 “Patent Costs” means the verifiable costs related to the preparation, filing, prosecution, re-examinations, reissues, appeals, post grant challenges, derivation proceedings, annuities, and maintenance of U.S. and foreign Licensed Patents.
- 2.12 “Royalty” and “Royalties” mean the payments owed to Licensor based on Net Sales as specified in Exhibit B.
- 2.13 “Term” means the period of time starting on the Effective Date and continuing until expiration of the last to expire of the Licensed Patents, subject to the terms of Article 8.

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

ARTICLE 3 GRANT

- 3.1 Licensors grants to Licensee, and Licensee accepts for the Term of this Agreement, a nonexclusive commercial license under the Licensed Patents to make, have made, use, offer to sell, sell, Dispose of, and import the Licensed Products in the Field of Use. All other rights not expressly granted in this License Agreement are reserved by the Licensor.
- 3.2 Licensee acknowledges that no license is granted or implied hereunder and shall not make, have made, offer to sell, sell, Dispose of or import the Licensed Products outside the Field of Use. Licensee agrees that its making, having made, using, offering to sell, selling, Disposing of and importing the Licensed Products outside the Field of Use is a breach of this Agreement and is an infringement of the Licensed Patents.
- 3.3 Licensee's nonexclusive commercial license is subject to, and will in no way restrict, the Government's nonexclusive, nontransferable, irrevocable, paid-up license to practice or to have practiced for or on behalf of the United States the Licensed Patents throughout the world, pursuant to 35 USC 202(c)(4).

ARTICLE 4 CONSIDERATION AND FINANCIAL OBLIGATIONS

- 4.1 In consideration for the grant of this commercial license, Licensee agrees to comply with all the provisions of this Agreement, to pay all fees, Royalties, costs, and all other consideration within the time periods and as otherwise specified in Exhibit B of this Agreement for the Term, and to satisfy the requirements of the Development and Commercialization Plan set forth in Exhibit C. Prompt payment of all amounts due to Licensor and satisfaction of the requirements of EXHIBIT C for the Diligence for Licensed Patent are material to this Agreement.
- 4.2 Licensee will pay to Licensor a license fee in the amount specified in Exhibit B (Execution Fee), which is nonrefundable and not creditable against any Royalties and is not an advance on Royalties. Exhibit B specifies when the Execution Fee is due and payable. In the event of termination of this Agreement, the entire unpaid balance of the Execution Fee, and any applicable accrued Royalties or Annual Minimum Royalties, will be due and payable on or before the effective date of termination.
- 4.3 Under this Agreement a Licensed Product is considered Disposed of and a Licensed Process is considered practiced when invoiced, or if not invoiced, when delivered to or performed for a third party. But when the last Licensed Patent covering a Licensed Product or Licensed Process expires or when the Agreement terminates, any shipment or service made on or before the day of that expiration or termination that has not been invoiced before is considered as Disposed of (and therefore subject Royalty under this Agreement).
- 4.4 All payments will be made to Licensor in U.S. dollars either by check or wire transfer. If payments are made by wire transfer, such transfers shall be in accordance with the following wire instructions; unless and until written notice is provided by Licensor of a change in the wire instructions:

[PROVIDED BY DOE LABORATORY/FACILITY]

- 4.5 Licensee will owe no Royalties to Licensor for Dispositions of Licensed Products or

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

- Licensed Processes either directly to the U.S. Government or to parties contracted by the U.S. Government to provide products or services which involve the use of or are covered under the Licensed Patents. In such transactions, Licensee shall reduce the amount charged for a Licensed Product Disposed of or for use of Licensed Process by an amount equal to the Royalty otherwise due to Licensor. Licensee will report all Gross Sales received from such Dispositions and shall include the U.S. Government control or contract number and the identification of the Government agency in the written report for the pertinent Accounting Period/reporting period using Royalty Report Sample included in EXHIBIT D.
- 4.6 In the event Licensee fails to make any payment due to Licensor within the time period prescribed for such payment under this Agreement, the unpaid or overdue amount will bear interest at the rate of _____ (____%) per month from the date payment was due until payment in full, with interest, is made. In addition, Licensee agrees to reimburse Licensor for any costs or expenses, including attorney's fees, incurred by Licensor in collection of such overdue payments.

ARTICLE 5 PATENT PROSECUTION AND REIMBURSEMENT

- 5.1 Licensor is the owner of the Licensed Patents and, in its sole discretion, shall have exclusive responsibility for the preparation, filing, prosecution and maintenance of the Licensed Patents, including choice of patent counsel. As requested, Licensee shall cooperate with Licensor to insure that the claims for each Licensed Patent reflects and will reflect, to the extent practicable and to the best of Licensee's knowledge, all items of commercial interest to Licensee that are contemplated to be sold or procedures to be practiced under this Agreement.
- 5.2 Licensee will reimburse Licensor for Patent Costs for all Licensed Patents as listed in Exhibit A accruing on and after the Effective Date of this Agreement. Invoices for such costs will not exceed actual costs and are due and payable no later than thirty (30) days after receipt of invoices by Licensee.
- 5.3 If Licensee elects not to pay its share of expenses incurred by Licensor under Section 5.2 for a particular Licensed Patent, on a country-by-country basis, Licensee shall so notify Licensor in writing. Licensee shall be obligated to reimburse Licensor for its share of expenses for such Patent Costs up to the date Licensor receives such written notification, as well as any additional costs Licensor may incur if it abandons such Licensed Patent, and at that time, Licensee's rights related to such Licensed Patents in the applicable country(ies) shall be terminated, and such Licensed Patents in such country(ies) shall be removed from this Agreement.
- 5.4 Licensee shall promptly notify Licensor of any change in its status as a micro entity as defined in 35 U.S.C. 123, of any change in its status as a small business concern, and of the first sublicense granted to an entity that does not qualify as a micro entity or a small business concern. A "small business concern" as used in this paragraph is as defined by the U.S. Patent and Trademark Office (37 C.F.R. 1.27 (a)(2) and 13 C.F.R. 121.802).

**ARTICLE 6
CONDITIONS OF GRANT**

- 6.1 Licensee agrees that any Licensed Product for use or sale in the United States will be substantially manufactured in the United States.
- 6.2 Licensee will mark all Licensed Products in accordance with the statutes of the United States relating to marking of patented articles. Any such marking may indicate that Licensee has a license from Licensor. Otherwise, Licensee is prohibited from using Licensor's name or the name [LABORATORY/FACILITY OPERATOR] in any such marking or any advertising, promotion or commercialization of Licensed Products or Licensed Processes without written approval of Licensor.
- 6.3 Licensee will not pledge its rights under this Agreement for any reason, including as security to obtain financing, without the prior written approval of Licensor. The Parties agree that any such pledge by Licensee without such approval by Licensor shall be an automatic, material and incurable breach of the Agreement resulting in termination of the Agreement effective as of the attempt by Licensee to make such pledge.

**ARTICLE 7
RECORDS, REPORTS, AND ROYALTY PAYMENTS**

- 7.1 Licensee will keep and make available to Licensor for audit, inspection and copying by Licensor or its designee, including an accounting firm, adequate and sufficiently detailed records to enable Licensee's financial obligations required under this Agreement to be determined readily and accurately. Licensee will maintain these records for a period of five (5) years after the end of the last Accounting Period/reporting period to which the records refer. In the event an examination of Licensee's records reveals an underpayment of more than five percent (5%) of the correct Royalty amount, Licensee will pay all costs incurred by Licensor related to the examination of records in addition to paying the balance due, plus any applicable interest at the rate specified in Article 4.6.
- 7.2. Licensee shall provide Licensor a written report for each (Accounting Period/specific due dates within an Accounting Period) during the Term of this Agreement, no later than thirty (30) days after the end of each Accounting Period/reporting period, which identifies for such Accounting Period/reporting period:
 - (a) the total Gross Sales by Licensee itemized by Licensed Patent;
 - (b) the total amount of Royalties due to Licensor;
 - (c) the total amount of sales tariffs, duties and/or taxes imposed on the Licensed Products manufactured in the United States;
 - (d) the total outbound transportation costs prepaid or allowed; and
 - (e) the total amounts allowed or credited on returns.The first such report will include this information for all Licensed Products and Licensed Processes Disposed of between the Effective Date and the end of the first Accounting Period/reporting period.
- 7.3 The due date for payment of Royalties for each Accounting Period/reporting period is the due date for submittal of each report. If either the report or the Royalty payment is not received by Licensor on or before the due date, the payment will be considered late.

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

- 7.4 Licensee will submit a written report to Licensors within thirty (30) days after the date of any termination or expiration of this Agreement which contains the same information required in Article 7.2 above for Licensed Products and Licensed Processes made, used, or Disposed of prior to such expiration or termination that were not previously reported to Licensors. At the time this report is submitted, Licensee will pay to Licensors all Royalties and any other consideration due Licensors.

ARTICLE 8 BREACH AND TERMINATION

- 8.1 This Agreement shall become effective as of the Effective Date and shall run to the end of the term of the last to expire Licensed Patent, and shall thereupon expire unless previously terminated in accordance with the following provisions of this Article 8.
- 8.2 This Agreement may be terminated by Licensors for any material breach of the Agreement by the Licensee. Such termination will be effective sixty (60) days after written notice specifying the breach to the Licensee. If the specified breach is cured before the effective date of termination, the Agreement will not be terminated.
- 8.3 In the event Licensee either (1) fails to make payment to Licensors of Royalties or other consideration in accordance with Exhibit B of this Agreement or (2) fails to satisfy the requirements of EXHIBIT C for the Diligence for Licensed Patent, Licensors may, at its sole discretion, terminate this Agreement with respect to specified Licensed Patents. There will be no reduction in any of the payments due from Licensee, including but not limited to Royalties.
- 8.4 In addition to termination, in the event of a material breach by Licensee, Licensors may pursue any rights and remedies available to it by law.
- 8.5 This Agreement will not be terminated for any breach that is the result of an act of God, acts or omissions of any government or agency thereof, compliance with rules, regulations, or orders of any governmental authority or any office, department, agency, or instrumentality thereof, fire, storm, flood, earthquake, accident, acts of the public enemy or terrorism, war, rebellion, insurrection, riot, sabotage, invasion, quarantine, restriction, transportation embargoes, or failures or delays in transportation.
- 8.6 Any termination of this Agreement will not impact Licensors's ownership interest, if any, in Licensee.
- 8.7 The rights and remedies granted herein, and any other rights or remedies which the Parties may have, either at law or in equity, are cumulative and not exclusive of others.
- 8.8 Neither Party will be relieved of any obligation or liability under this Agreement arising from any act or omission committed prior to the termination date. Upon termination, Licensee will execute any documents necessary to achieve the transfer to Licensors of all rights to which Licensors may be entitled under this Agreement.
- 8.9 Licensee may terminate this Agreement for any reason if Licensee provides Licensors with sixty (60) calendar days prior notice of its intent to terminate and pays Licensors all Patent Costs owed at the time of termination, if applicable, and all other fees, Annual Minimum Royalties, Royalties, and any other consideration due under Exhibit B in, or at the end of, the year of termination, whichever is greater.
- 8.10 This Agreement will terminate automatically upon a final adjudication of invalidity, unenforceability, or the extinguishment of all Licensed Patents, for any reason.
- 8.11 Expiration or termination of this Agreement will be without prejudice to any rights that may have accrued to the benefit of a Party prior to such expiration or termination. The following provisions shall survive any expiration or termination of this Agreement: Sections 4.1, 5.3, 4.5, 4.6, 7.4, Articles 10, 11, 12, 13, 14, 15, and 17.

**ARTICLE 9
INFRINGEMENT**

- 9.1 Licensee shall promptly give notice in writing to Licensor of any known actual or suspected infringement of the Licensed Patents and shall provide Licensor with reasonable evidence of such infringement.
- 9.2 Licensor shall have the primary right, but not the obligation, to take appropriate action in connection with any proceeding or suit to abate or to prevent an infringement.

**ARTICLE 10
EXPORTATION OF TECHNICAL INFORMATION**

Licensee represents and warrants that it shall not export from The United States of America directly or indirectly, any technical information (or the direct product thereof) furnished to Licensee either directly or indirectly by Licensor without first complying with all requirements of the Export Administration Regulations, including the requirement for obtaining any export license, if applicable. Licensee agrees to indemnify, defend and hold harmless Licensor, its officers, agents and employees from all liability involving the violation of such export regulations, either directly or indirectly, by Licensee. Licensee acknowledges it may be subject to criminal liability under U.S. laws for Licensee's failure to obtain any required export licenses.

**ARTICLE 11
DISCLAIMER**

NEITHER LICENSOR, THE DOE, NOR PERSONS ACTING ON THEIR BEHALF MAKE ANY WARRANTY, EXPRESS OR IMPLIED: (1) WITH RESPECT TO THE MERCHANTABILITY, ACCURACY, COMPLETENESS OR USEFULNESS OF ANY SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION FURNISHED HEREUNDER; (2) THAT THE USE OF ANY SUCH SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION WILL NOT INFRINGE PRIVATELY OWNED RIGHTS; (3) THAT THE SERVICES, MATERIALS, LICENSED PATENTS, OR INFORMATION FURNISHED HEREUNDER WILL NOT RESULT IN INJURY OR DAMAGE WHEN USED FOR ANY PURPOSE; OR (4) THAT THE SERVICES, MATERIALS OR INFORMATION FURNISHED HEREUNDER WILL ACCOMPLISH THE INTENDED RESULTS OR ARE SAFE FOR ANY PURPOSE, INCLUDING THE INTENDED OR PARTICULAR PURPOSE. FURTHERMORE, LICENSOR AND THE DOE HEREBY SPECIFICALLY DISCLAIM ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, FOR ANY PRODUCTS MANUFACTURED, USED OR SOLD BY LICENSEE. NEITHER LICENSOR NOR THE DOE SHALL BE LIABLE FOR CONSEQUENTIAL, SPECIAL, OR INCIDENTAL DAMAGES IN ANY EVENT.

**ARTICLE 12
REPRESENTATIONS AND WARRANTIES**

- 12.1 Licensor makes no representation or warranty, either expressed or implied, and no representation or warranty shall be implied, with respect to the License herein granted other than that Licensor has the right to grant said license.
- 12.2 Nothing in this Agreement may be construed as:
 - 12.2.1 a warranty or representation by Licensor as to the validity or scope of any of Licensor's rights in Licensed Patents;

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

- 12.2.2 a warranty or representation that anything made, used, sold or otherwise Disposed of under any license granted in this Agreement is or will be free from infringement of any patents other than Licensed Patents;
- 12.2.3 a grant by implication, estoppel or otherwise of any license or rights under any patents of Licensor other than Licensed Patents, regardless of whether such patents are dominate or subordinate to Licensed Patents; or
- 12.2.4 an obligation to furnish any information not provided in Licensed Patents.

ARTICLE 13 PRODUCT LIABILITY INDEMNITY

Except for any liability resulting from any negligent act or omission of the Licensor, Licensee indemnifies the U.S. Government and the Licensor, and their officers, employees and agents, for all damages, costs and expenses, including attorneys' fees, arising from personal injury or property damage occurring as a result of the commercialization and utilization of the Licensed Patents by Licensee. The indemnity set forth in this Paragraph shall apply only if the Licensee shall have been informed as soon and as completely as practical by the Licensor and/or the U.S. Government of the action alleging such claim and shall have been given an opportunity, to the maximum extent afforded by applicable laws, rules or regulations, to participate in and control its defense, and the Licensor and/or the U.S. Government shall have provided all reasonably available information and reasonable assistance requested by the Licensee. No settlement for which the Licensee would be responsible shall be made without the Licensee's consent unless required by final decree of a court of competent jurisdiction.

ARTICLE 14 NOTICES

- 14.1 All notices and reports shall be addressed to the Parties as follows:

If to Licensor:

E-Mail XXX@XXX.XXX

Facsimile

Phone

If to Licensee:

Name and/or Title
Company Name
Address 1
Address 2
City, State, ZIP
E-Mail XXX@XXX.XXX

(XXX) XXX-XXXX
Facsimile
(XXX) XXX-XXXX
Phone

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- 14.2 All stock certificates, if any, will be sent to the address for notices.
- 14.3 Any notice, report or any other communication required or permitted to be given by one Party to the other Party by this Agreement shall be in writing and either: (a) served personally on the other Party; (b) sent by express, registered or certified first-class mail, postage prepaid, addressed to the other Party at its address as indicated above, or to such other address as the addressee shall have previously furnished to the other Party by proper notice; (c) delivered by commercial courier to the other Party; or (d) sent by facsimile to the other Party at its facsimile number indicated above or to such other facsimile number as the Party shall have previously furnished to the other Party by proper notice, with machine confirmation of transmission.

ARTICLE 15 ENTIRE AGREEMENT AND LEGAL AMENDMENTS

This Agreement constitutes the entire understanding between the Parties hereto with respect to the Licensed Patents, and any modification of this Agreement shall be in writing and shall be signed by a duly authorized representative of each Party. This Agreement supersedes any previous representations, agreements, or understandings, whether oral or written. There are no understandings, representations or warranties with respect to the subject matter hereof, except as herein expressly set forth, and no rights are granted hereunder except as expressly set forth herein. Any conflict between this Agreement and any other prior agreements shall be resolved in favor of the terms of this Agreement except where the other prior agreement is a Cooperative Research and Development Agreement (“CRADA”) in which case, the confidentiality terms of the CRADA executed on [insert date] in Articles [insert numeric] and any of its amendments shall control.

ARTICLE 16

SUCCESSORS AND ASSIGNS

- 16.1 This Agreement is binding upon and shall inure to the benefit of Licensors, its successors and assigns. Any attempt by Licensee to assign this Agreement is void unless Licensee obtains the prior written consent of Licensors, which shall not be unreasonably withheld.
- 16.2 Licensee’s rights under this Agreement and the license herein granted shall not be assigned for the benefit of creditors of Licensee. In the event of bankruptcy by Licensee, it is the intention of the Parties that this license will be construed to be an executory contract.
- 16.3 Licensors may assign its rights in this Agreement to the U.S. Department of Energy or its designee without consent of Licensee.

**ARTICLE 17
DISPUTES AND GOVERNING LAWS**

- 17.1 This Agreement shall be construed, interpreted and applied in accordance with the laws of the United States and of the State of [NAME OF STATE], without reference to choice of law provisions.
- 17.2 Any controversies or disputes arising out of or relating to this Agreement that cannot first be resolved by the Parties' authorized representatives may be sent to non-binding third party mediation. Any controversy or dispute that was not successfully resolved through mediation may be resolved by binding arbitration in accordance with the then current Commercial Arbitration Rules of the American Arbitration Association.

**ARTICLE 18
USE OF NAMES**

Neither the granting of the license herein by Licensor nor the acceptance of license fees or Royalties hereunder by Licensor shall constitute Licensor's approval of, or acquiescence in, advertising or other business practices of Licensee, nor an approval of or acquiescence in any use of the corporate name of Licensor, or any use of the name [DOE LABORATORY/FACILITY], or any use of the name(s) of the inventors of the Licensed Patents, or of the names of any agencies of the U.S. Government, in connection with the manufacture, advertising, use or sale of Licensed Products or Licensed Processes, and Licensor hereby expressly reserves all rights of actions with respect thereto. Licensee must obtain prior written approval from Licensor before using Licensor's name in any advertising, press release, or other business materials to be publicly distributed by Licensee.

**ARTICLE 19
MISCELLANEOUS**

- 19.1 The headings of the several articles are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.
- 19.2 This Agreement is not binding upon the Parties until it is signed below on behalf of each Party.
- 19.3 If a court of competent jurisdiction holds any provision of this Agreement invalid, illegal or unenforceable in any respect, this Agreement must be construed as if that invalid or illegal or unenforceable provision is severed from the Agreement, provided, however, that the Parties shall negotiate in good faith substitute enforceable provisions that most nearly effect the Parties' intent in entering into this Agreement.

**ARTICLE 20
OFFER**

The offer to execute this Agreement shall expire if this Agreement is not signed by Licensee and returned to Licensor on or before _____.

IN WITNESS WHEREOF, each of the Parties hereto has caused this Agreement to be executed in duplicate originals by its duly authorized officers or representatives.

(LICENSOR NAME)

By: _____

Name: (typed): _____

Title: _____ Director, Technology Transfer

Date: _____

(LICENSEE NAME)

By: _____

Name: (typed): _____

Title: _____

Date: _____

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EXHIBIT A: INTELLECTUAL PROPERTY

LICENSED PATENTS

ID Number	Country	Title	Inventor(s)	Application Number/ Patent Number	Filing/ Issue Date	Filed as LARGE/ SMALL/ MICRO entity

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____

EXHIBIT B: LICENSE FEES

A. Execution Fee:

The **Execution Fee** is \$_____, payable within thirty (30) days of the Effective Date.

The Execution Fee is nonrefundable and is not an advance against Earned Royalties or Carbon Credits. If such Execution Fee is not timely received by Licensor, this Agreement shall be null and void without effect.

C. Royalty:

Licensee will pay Licensor a **Royalty** of _____ percent (____%) of the Net Sales for Licensees Dispositions of Licensed Products and Licensed Processes. Royalties will be paid on an (annual/semiannual/quarterly) basis for the duration of the Agreement, within thirty (30) days of the end of the Accounting Period/reporting period.

E. Minimum Royalty:

If Royalties [*and proceeds from Carbon Credits*] paid by Licensee pursuant to this Agreement for the Accounting Period/reporting period do not total the annual amounts shown below as **Annual Minimum Royalties** on the year end dates shown, Licensee shall within thirty (30) days of such year end date pay to Licensor the difference between such amounts and the Annual Minimum Royalties, according to the following schedule:

Date Annual Minimum Royalties

Dec 31, 201_ - 201_ \$

Dec 31, 201_ and thereafter \$_____

F. Merger or Acquisition:

In the event of a merger, acquisition or joint venture of or with a third party by Licensee (a “merger”), the terms of this Agreement will be renegotiated in good faith to fit the new business plan of the new entity, and a license transfer fee of \$_____ will be due and paid to Licensor immediately upon such merger.

F. [Equity Taken Structure:]

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

G. [Carbon Credits (CDMs):

Licensee will pay Licensor ____% of the proceeds from the sale or transfer of greenhouse gas emission allowances and offsets received by Licensee for the use or sale of Licensed Products and Licensed Processes.]

NOTICE

This Exhibit contains financial and commercial information that is **BUSINESS SENSITIVE** and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensor's Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party's rights under the Agreement.

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____

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EXHIBIT C: DILIGENCE FOR LICENSED PATENT

- A. Within thirty (30) days after the end of each Accounting Period/reporting period, Licensee shall furnish Licensors with a written report on the progress of its efforts during the preceding Accounting Period/reporting period to develop and commercialize the Licensed Patents. The report shall also contain a discussion of intended efforts and sales projections for the year in which the report is submitted.
- B. Licensee shall meet [TECHNICAL MILESTONES] for Licensed Products or Licensed Processes.
- C. Licensee shall make a first sale of Licensed Products or Licensed Processes prior to December 31, _____.
- D. Licensee shall make the following minimum Sales:
- | | | |
|--------------|--------------|-------|
| Date | Units/\$ | Sales |
| Dec 31, 201_ | # | or \$ |
| Dec 31, 201_ | # | or \$ |
| Dec 31, 201_ | # | or \$ |
| Dec 31, 201_ | # | or \$ |
| Dec 31, 201_ | and beyond # | or \$ |

In the event Licensee fails to fulfill the diligence requirements above, Licensors may reduce the license rights or terminate the license by providing written notice of thirty (30) days to Licensee.

NOTICE

This Exhibit contains financial and commercial information that is BUSINESS SENSITIVE and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensors' Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party's rights under the Agreement.

Initials

Licensors: _____

Date: _____

Licensee: _____

Date: _____

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

EXHIBIT D: REPORT SCHEDULE AND FORM

NOTICE

Licensee will submit a Royalty report to Licensor reporting the Disposition of Licensed Products and Licensed Processes and Royalty information shown below for the previous Accounting Period/reporting period within one (1) month of the end of the Accounting Period/reporting period.

Annual Royalty Report for

Date:

Time Period:

Licensee Name:

License Number: **Reference #XXXX**

Production and Royalties Information:

Description of Licensed Products and/or Licensed Processes	Units Of Sales	Net Sales (US\$)	Royalties Due (US\$)

U.S. Government Sales of Licensed Products and Licensed Processes:

U.S. Government Agency:

Contract No. _____

How the benefit of the royalty-free sale was passed to the U.S. Government:

Note: Payment of the royalties and other fees, along with the form noted on this page, should be made out to:

Chief Financial Officer

[LABORATORY/FACILITY OPERATOR]

[DOE LABORATORY/FACILITY]

RE: License Fee, **Reference #XXXX**

Licensee Address

SAMPLE LICENSE FOR ILLUSTRATIONAL AND DISCUSSION PURPOSES ONLY

NOTICE

This Exhibit contains financial and commercial information that is **BUSINESS SENSITIVE** and the Parties hereby agree not to use or disclose this Exhibit to any third party without the advance written approval of the other Party, except: (1) to those necessary to enable the Parties to perform under this Agreement; (2) as may be required by the Licensor's Contract with the DOE under the same restrictions as set forth herein; or (3) in event of breach of any provision of this Agreement by either Party, to those deemed necessary by the non-breaching Party to enforce the non-breaching Party's rights under the Agreement.

Initials

Licensor: _____

Date: _____

Licensee: _____

Date: _____