

## Agreement to Negotiate a License

This Agreement to negotiate a license, effective \_\_\_\_\_, \_\_\_\_\_ ("Effective Date"), is between the COMPANY NAME ("Company A:") of whose address is ADDRESS, on behalf of \_\_\_\_\_ ("COMPANY B"), whose address is \_\_\_\_\_, and \_\_\_\_\_ ("COMPANY"), located at \_\_\_\_\_.

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

1. The parties wish to set forth the conditions under which they will negotiate a license in good faith for the technology described in Exhibit A ("Technology") such license to be effective no later than 180 days from the Effective Date (the "Term").
2. During the Term, Company A will not pursue any license agreements relating to the Technology in the field of \_\_\_\_\_ with any other organization, commercial entity, private business, or individual.
3. Within 60 days from the Effective Date, COMPANY will submit a plan acceptable to COMPANY A for securing third party funding for further development of the Technology.
4. Company A and COMPANY will begin to negotiate a license within 30 days after company's receipt of the funding or by the end of the Term, whichever is sooner. COMPANY agrees to submit to Company A plans for commercializing the Technology when the negotiations begin.
5. The parties wish to negotiate a license that grants COMPANY an exclusive, royalty-bearing, worldwide license, with the right to grant sublicenses, to use the Technology to manufacture, have manufactured, use, sell, import, and/or offer for sale licensed products or methods for use within a certain field.
6. This license will include at least the following provisions:
  - a. reimbursement to COMPANY A of all domestic and foreign patent expenses to date, if any;
  - b. payment of future expenses;
  - c. payment of an up-front license fee;
  - d. payment of a running royalty rate;
  - e. milestone payments if appropriate;

- f. diligence requirements for commercializing the Technology; and
  - g. indemnification, confidentiality, and publication provisions and other reasonable and customary terms in a license agreement, all in conformity with the Constitution, the laws of the State of State and Company A'S Rules and Regulations.
- 7. COMPANY agrees to pay Company A \$\_\_\_\_\_ (the "Fee") due and payable when this Agreement is signed by COMPANY. Company further agrees to reimburse Company A for all patent expenses that become due during the Term.
- 8. The parties will treat each other's confidential information as follows:
  - a. Company A and COMPANY each agree that all information contained in documents marked "confidential" and forwarded to one by the other (1) are to be received in strict confidence, (2) used only for the purposes of this Agreement, and (3) not disclosed by the recipient party, its agents or employees without the prior written consent of the other party, except to the extent that the recipient party can establish competent written proof that such information:
    - 1. was in the public domain at the time of disclosure;
    - 2. later became part of the public domain through no act or omission of the recipient party, it's employees, agents, successors or assigns;
    - 3. was lawfully disclosed to the recipient party by a third party having the right to disclose it;
    - 4. was already known by the recipient party at the time of disclosure;
    - 5. was independently developed by the recipient; or
    - 6. is required by law or regulation to be disclosed.
  - b. Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information. This obligation shall exist while this Agreement is in force and for a period of 3 years thereafter.
  - c. Company A recognizes and agrees that COMPANY may from time-to-time need to enter into related confidentiality agreements with third parties. COMPANY agrees that confidential information will not be disclosed to third parties unless a confidentiality agreement

has been fully executed between COMPANY and the third party. Such confidentiality agreement will be at least as restrictive as the sample agreement set forth in Exhibit B. COMPANY agrees to provide Company A a copy of all confidentiality agreements within 30 days of their execution.

**IN WITNESS WHEREOF**, parties hereto have caused their duly authorized representatives to execute this Agreement.

Company A

(COMPANY) \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Name: \_\_\_\_\_  
Chief Administrative Officer or Designee

Name: \_\_\_\_\_

Title:

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

\_\_\_\_\_

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

Approved as to Form:

By \_\_\_\_\_  
NAME  
Office of General Counsel

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

Approved as to Content:

By \_\_\_\_\_

Name: \_\_\_\_\_

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

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**Exhibit A**

Technology

**Exhibit B**

Confidentiality Agreement