

## NONEXCLUSIVE AGREEMENT

This Agreement between THE BOARD OF TRUSTEES OF THE LELAND STANFORD JUNIOR UNIVERSITY ("Stanford"), an institution of higher education having powers under the laws of the State of California, and \_\_\_\_\_ ("Company"), a corporation having a principal place of business at \_\_\_\_\_, is effective on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date").

### 1 BACKGROUND

Stanford has an assignment of an invention entitled "DNA-Encoded Combinatorial Chemistry," was invented in the laboratory of Dr. Pehr Harbury and is described in Stanford Docket S98-147. Stanford wants to have the invention perfected and marketed as soon as possible so that resulting products may be available for public use and benefit.

### 2 DEFINITIONS

- 2.1 "Licensed Field of Use" means internal research use.
- 2.2 "Licensed Patent" means Stanford's U.S. Patent 7,479,472, U.S. Patent Application Serial Number 12/344,083 filed December 24, 2008, any foreign patent application corresponding thereto, and any divisional, continuation, or reexamination application, and each patent that issues or reissues from any of these patent applications. Any claim of an unexpired Licensed Patent is presumed to be valid unless it has been held to be invalid by a final judgment of a court of competent jurisdiction from which no appeal can be or is taken. "Licensed Patent" excludes any continuation-in-part (CIP) patent application or patent.
- 2.3 "Licensed Territory" means worldwide.
- 2.4 "Stanford Indemnitees" means Stanford and Stanford Hospitals and Clinics, and their respective trustees, officers, employees, students, and agents.

### 3 GRANT

- 3.1 **Grant.** Subject to the terms and conditions of this Agreement, Stanford grants Company a license to use Licensed Patent in the Field of Use.
- 3.2 **Nonexclusivity.** The license is nonexclusive in the Licensed Field of Use beginning on the Effective Date and ending when the last Licensed Patent expires.
- 3.3 **Specific Exclusion.** Stanford does not:
  - (A) grant to Company any other licenses, implied or otherwise, to any patents or other rights of Stanford other than those rights granted under Licensed Patent, regardless of whether the patents or other rights are dominant or

subordinate to any Licensed Patent, or are required to exploit any Licensed Patent;

- (B) commit to Company to bring suit against third parties for infringement; and
- (C) agree to furnish to Company any technology or technological information or to provide Company with any assistance.

#### 4 SUBLICENSING

Company may not grant sublicenses.

#### 5 ROYALTIES

5.1 **Royalties.** Company will pay to Stanford either (checked box indicates Company's choice for payment):

- (A)  \$25,000 upon signing this Agreement and \$25,000 on each anniversary of the Effective Date of this Agreement; or
- (B)  \$150,000 upon signing this Agreement (no further payments due).

5.2 **No Escrow.** Company will not pay royalties into any escrow or other similar account.

5.3 **Non-U.S. Taxes.** Companies will pay all non-U.S. taxes related to royalty payments. These payments are not deductible from any payments due to Stanford.

5.4 **Interest.** Any payments not made when due will bear interest at the lower of (a) the Prime Rate published in the Wall Street Journal plus 200 basis points or (b) the maximum rate permitted by law.

#### 6 EXCLUSIONS AND NEGATION OF WARRANTIES

6.1 **Negation of Warranties.** Stanford provides Company the rights granted in this Agreement AS IS and WITH ALL FAULTS. Stanford makes no representations and extends no warranties of any kind, either express or implied. Among other things, Stanford disclaims any express or implied warranty:

- (A) of merchantability, of fitness for a particular purpose;
- (B) of non-infringement; or
- (C) arising out of any course of dealing.

6.2 **No Representation of Licensed Patent.** Company also acknowledges that Stanford does not represent or warrant:

- (A) the validity or scope of any Licensed Patent; or
- (B) that the exploitation of Licensed Patent will be successful.

#### 7 INDEMNITY

- 7.1 **Indemnification.** Company will indemnify, hold harmless, and defend all Stanford Indemnitees against any claim of any kind arising out of or related to the exercise of any rights granted Company under this Agreement or the breach of this Agreement by Company.
- 7.2 **No Indirect Liability.** Stanford is not liable for any special, consequential, lost profit, expectation, punitive or other indirect damages in connection with any claim arising out of or related to this Agreement, whether grounded in tort (including negligence), strict liability, contract, or otherwise.

## 8 STANFORD NAMES AND MARKS

Company will not identify Stanford in any promotional statement, or otherwise use the name of any Stanford faculty member, employee, or student, or any trademark, service mark, trade name, or symbol of Stanford or Stanford Hospitals and Clinics, including the Stanford name, unless Company has received Stanford's prior written consent. Permission may be withheld at Stanford's sole discretion.

## 9 PROTECTION OF PATENTS

**Suspected Infringement.** Company will promptly inform Stanford of any suspected infringement of a Licensed Patent by a third party.

## 10 TERMINATION

10.1 **Termination by Company.** Company may terminate this Agreement by giving Stanford written notice at least 30 days in advance of the effective date of termination selected by Company.

10.2 **Termination by Stanford.**

- (A) Stanford may also terminate this Agreement if Company:
  - (1) is delinquent on any payment; or
  - (2) is in breach of any provision.
- (B) Termination under this Section 10.2 will take effect 30 days after written notice by Stanford unless Company remedies the problem in that 30-day period.

10.3 **Surviving Provisions.** Surviving any termination or expiration are:

- (A) Company's obligation to pay royalties accrued or accruable;
- (B) any claim of Company or Stanford, accrued or to accrue, because of any breach or default by the other party; and
- (C) the provisions of Articles 6 and 7 and any other provision that by its nature is intended to survive.

## 11 ASSIGNMENT

Company does not have the right to assign this agreement.

## 12 DISPUTE RESOLUTION

**Dispute Resolution by Arbitration.** Any dispute between the parties regarding any payments made or due under this Agreement will be settled by arbitration in accordance with the JAMS Arbitration Rules and Procedures. There parties are not obligated to settle any other dispute that may arise under this Agreement by arbitration.

## 13 NOTICES

13.1 **Legal Action.** Company will provide written notice to Stanford at least three months prior to bringing an action seeking to invalidate any Licensed Patent or a declaration of non-infringement. Company will include with such written notice an identification of all prior art it believes invalidates any claim of the Licensed Patent.

13.2 **Other Notices.** All notices under this Agreement are deemed fully given when written, addressed, and sent as follows:

All general notices to Company are mailed to:

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

Address: \_\_\_\_\_

Email: \_\_\_\_\_

All financial invoices to Company (i.e., accounting contact) are e-mailed to:

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

Email: \_\_\_\_\_

All general notices to Stanford are e-mailed or mailed to:

Office of Technology Licensing

1705 El Camino Real

Palo Alto, CA 94306-1106

[info@otlmail.stanford.edu](mailto:info@otlmail.stanford.edu)

All payments to Stanford are mailed to:

Stanford University

Office of Technology Licensing

Department #44439

P.O. Box 44000

San Francisco, CA 94144-4439

Either party may change its address with written notice to the other party.

**14 MISCELLANEOUS**

- 14.1 **Waiver.** No term of this Agreement can be waived except by the written consent of the party waiving compliance.
- 14.2 **Choice of Law.** This Agreement and any dispute arising under it is governed by the laws of the State of California, United States of America, applicable to agreements negotiated, executed, and performed within California.
- 14.3 **Exclusive Forum.** The state and federal courts having jurisdiction over Stanford, California, United States of America, provide the exclusive forum for any court action between the parties relating to this Agreement. Company submits to the jurisdiction of such courts, and waives any claim that such a court lacks jurisdiction over Company or constitutes an inconvenient or improper forum.
- 14.4 **Headings.** No headings in this Agreement affect its interpretation.
- 14.5 **Electronic Copy.** The parties to this document agree that a copy of the original signature (including an electronic copy) may be used for any and all purposes for which the original signature may have been used. The parties further waive any right to challenge the admissibility or authenticity of this document in a court of law based solely on the absence of an original signature.

The parties execute this Agreement in duplicate originals by their duly authorized officers or representatives.

THE BOARD OF TRUSTEES OF THE LELAND  
STANFORD JUNIOR UNIVERSITY

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_

Company name: \_\_\_\_\_

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Title \_\_\_\_\_  
 Date \_\_\_\_\_