

## 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 \_\_\_\_\_ ("Licensee"), a corporation having a principal place of business at \_\_\_\_\_, is effective on the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ ("Effective Date").

### 1 BACKGROUND

Stanford has rights to biological material known as "Slo1 knockout mouse". It was developed in the laboratory of Richard Aldrich, a former Howard Hughes Medical Institute ("HHMI") investigator at Stanford, and is described in Stanford S02-267 and Meredith et al, 2004 (JBC239: 36746-52). Stanford wants to have the biological materials developed and marketed as soon as possible so that resulting products may be available for public use and benefit. These mice were developed using the Cre-Lox technology which is covered by claims of U.S. Patent Number 4,959,317. Please note that the U.S. Patent 4,959,317 referenced in this notice expired on September 25<sup>th</sup>, 2007. Only institutions from Canada need to obtain a license from DuPontPharmaceuticals, Inc., now Bristol Myers Squibb Company to obtain Cre-Lox materials from Stanford. The Canadian patent expires on December 24<sup>th</sup>, 2008.

### 2 DEFINITIONS

- 2.1 "Biological Material" means the Mouse, Progeny and Unmodified Derivatives thereof.
- 2.2 "Licensed Field of Use" means any use of Biological Material for research, discovery and development of biological and pharmaceutical products. The Licensed Field of Use specifically excludes any use of the Biological Material which requires regulatory approval, including any *in vitro* and *in vivo* diagnostic or therapeutic applications, and any *in vivo* use for whatever purpose.
- 2.3 "Licensed Territory" means worldwide.
- 2.4 "Mouse" means the strain of live Slo1 knockout mouse provided to Licensee pursuant to this Agreement.
- 2.5 "Progeny" means the Unmodified descendants of the Biological Material.
- 2.6 "Unmodified Derivatives" means substances created by Licensee which contain/incorporate the Biological Material other than Modified Derivatives.
- 2.7 "Modified Derivatives" means any modifications to the Biological Material, including but not limited to the results of any cross breeding of the Biological Material or Progeny thereof to other non-naturally occurring lines or strains and any offspring or other materials derived therefrom, such as cells, cell lines, tissues,

sperm, blood proteins or other compositions contained in or components of any such modifications or Biological Material.

- 2.8 "Stanford Indemnitees" means Stanford and Stanford Hospitals and Clinics, and their respective trustees, officers, employees, students, and agents.
- 2.9 "HHMI Indemnitees" means HHMI and its trustees, officers, employees, and agents.

### 3 GRANT

- 3.1 **Grant.** Subject to the terms and conditions of this Agreement, Stanford grants Licensee a license in the Licensed Field of Use to breed, have bred, use and have used the Biological Materials.
- 3.2 **Nonexclusivity.** The license is nonexclusive in the Licensed Field of Use beginning on the Effective Date and expiring 10 years from Effective Date.
- 3.3 **Retained Rights.** Stanford retains title to all Biological Materials.
- 3.4 **HHMI Rights.** Licensee acknowledges that Stanford has granted to HHMI a royalty-free, nonexclusive, nontransferable license to the Biological Materials.
- 3.5 **Specific Exclusion.** Stanford does not:
- (A) grant to Licensee any other licenses, implied or otherwise, to any patents or other rights of Stanford regardless of whether the patents or other rights are required to exploit any Biological Material; and
  - (B) agree to furnish to Licensee any technology or technological information other than the Biological Material or to provide Licensee with any assistance.
- 3.6 **No Transfer.** Subject to Article 4, Licensee is not permitted to transfer Biological Material to any third party without prior written consent from Stanford.

### 4 SUBLICENSING AND TRANSFER OF BIOLOGICAL MATERIAL\

- 4.1 **Sublicenses.** Licensee may not grant sublicenses. Licensee may transfer the Biological Material as permitted by Section 4.2
- 4.2 **Third Party Contractors.** Subject to Article 7, Stanford expressly consents to the transfer of the Biological Material to third party contractors and third party collaborators for the purpose of carrying out aspects Licensee's research efforts who agree in writing to be bound by the terms and conditions at least as restrictive as this Agreement.
- 4.3 **Transfer.** Within thirty (30) days of receipt of the Issue License Fee, Stanford shall provide Licensee with three (3) breeding pairs of the Mouse. Such Mouse shall be in good health, fertile, free of the pathogens as indicated on a health status report, and able to produce Progeny being null for mSlo1. The Mouse shall be sent according to the delivery schedule and by a delivery method and to a delivery location to be agreed upon by the parties prior to dispatch.

- 4.4 **Replacement of Mouse.** The Mouse will be deemed accepted when delivered unless Licensee has notified Stanford within sixty (60) days of delivery that the Mouse does not meet the quality specifications set forth in Section 4.3. In the event that Licensee has notified Stanford that the Mouse is unacceptable, Stanford will provide satisfactory replacement of the Mouse within sixty (60) days of such written notification and at no extra charge.

## 5 ROYALTIES

- 5.1 **Issue Royalty.** Licensee will pay to Stanford a noncreditable, nonrefundable license issue royalty of \$30,000.00 upon signing this Agreement. Upon receipt of payment, Stanford will send Biological Material to Licensee.
- 5.2 **License Maintenance Fee.** Beginning on the first year anniversary of the Effective Date and each anniversary date thereafter, Licensee will pay Stanford a yearly license maintenance fee of \$20,000.00.
- 5.3 **Non-U.S. Taxes.** Licensees 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.** Subject to Sections 4.5 and 7 Stanford provides Licensee 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.

## 7 INDEMNITY

- 7.1 **Indemnification.**
- (A) Licensee 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 Licensee under this Agreement or the breach of this Agreement by Licensee.
  - (B) HHMI Indemnitees will be indemnified, defended by counsel acceptable to HHMI, and held harmless by Licensee from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and

expenses of defense) (collectively, "Claims"), based upon, arising out of, or otherwise relating to this Agreement, including without limitation any cause of action relating to product liability. The previous sentence will not apply to any Claim that is determined with finality by a court of competent jurisdiction to result solely from the gross negligence or willful misconduct of an HHMI Indemnitee.

- 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.
- 7.3 **Workers' Compensation.** Licensee will comply with all statutory workers' compensation and employers' liability requirements for activities performed under this Agreement.
- 7.4 **Insurance.** In addition to the foregoing, Licensee shall obtain or provide sufficient insurance to cover its respective activities hereunder.

## 8 INTELLECTUAL PROPERTY.

All Modified Derivatives, data, results, conclusions, inventions and the like developed by or on behalf of Licensee using the Biological Material shall belong exclusively to Licensee and Licensee shall have the right to breed, have bred, use and have used Modified Derivatives.

## 9 STANFORD, HHMI AND LICENSEE NAMES MARKS

- 9.1 **Promotional Use.** Licensee 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, Stanford Hospitals and Clinics, including the Stanford, unless Licensee has received Stanford's prior written consent. Permission may be withheld at Stanford's sole discretion.
- 9.2 **HHMI.** Licensee acknowledges that under HHMI policy, Licensee may not use the name of HHMI or of any HHMI employee (including Dr. Aldrich) in a manner that reasonable could constitute an endorsement of a commercial product or service; but that use for other purposes, even if commercially motivated, is permitted provided that (1) the use is limited to accurately reporting factual events or occurrences, and (2) any reference to the name of HHMI or any HHMI employees in press releases or similar materials intended for public release is approved by HHMI in advance.
- 9.3 **Disclosure.** No disclosure of the terms of this Agreement may be made by Stanford, and Stanford shall not use the name, trademark, trade name or logo of Licensee or its employees in any publicity, promotion, news release or disclosure

relating to this Agreement or its subject matter, without the prior express written permission of Licensee, except as may be required by law.

## 10 TERMINATION

### 10.1 Termination by Licensee.

- (A) Licensee may terminate this Agreement by giving Stanford written notice at least 30 days in advance of the effective date of termination selected by Licensee.
- (B) As of the effective date of termination, Licensee will:
  - (1) cease use of the Biological Material; and
  - (2) at Licensee's election either return to Stanford or destroy all Biological Material.

### 10.2 Termination by Stanford.

- (A) Stanford may also terminate this Agreement if Licensee:
  - (1) is delinquent on any report or payment;
  - (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 Licensee remedies the problem in that 30-day period.
- (C) As of the effective date of termination, Licensee will:
  - (1) cease use of the Biological Material; and
  - (2) at Licensee's election either return to Stanford or destroy all Biological Material.

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

- (A) Any claim of Licensee or Stanford, accrued or to accrue, because of any breach or default by the other party; and
- (B) the provisions of Articles 7, 8, 9, and 14.3, and any other provision that by its nature is intended to survive and all definitions relating to the foregoing.

## 11 ASSIGNMENT

This Agreement may not be assigned.

## 12 ARBITRATION

**Dispute Resolution by Arbitration.** Apart from any controversy or claim pertaining to HHMI's rights under Article 3.4 or otherwise under this Agreement, any dispute between the parties regarding any payments made or due under this Agreement will be settled by arbitration in accordance with the Judicial Arbitration & Mediation Services Rules and

Procedures. The parties are not obligated to settle any other dispute that may arise under this Agreement by arbitration. All proceedings and communications shall be in the English language.

**13 NOTICES**

All notices under this Agreement are deemed fully given when written, addressed, and sent as follows:

All general notices to Licensee are mailed to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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

\_\_\_\_\_  
\_\_\_\_\_

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. Licensee submits to the jurisdiction of such courts, and waives any claim that such a court lacks jurisdiction over Licensee or constitutes an inconvenient or improper forum.
- 14.4 **Third Party Beneficiary.** HHMI is not a party to this Agreement and has no liability to any licensee or user of any technology covered by this Agreement, but HHMI is an intended third-party beneficiary of this Agreement and certain of its provisions are for the benefit of HHMI and are enforceable by HHMI in its own name.
- 14.5 **Headings.** No headings in this Agreement affect its interpretation.
- 14.6 **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 \_\_\_\_\_

LICENSEE

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