

LICENSE AGREEMENT

This License Agreement (“AGREEMENT”) is entered into between the National Aeronautics and Space Administration (NASA), an agency of the United States, hereinafter referred to as LICENSOR or PARTY, having its headquarters in Washington, D.C., and _____, a corporation of the State of _____, having its principal place of business at _____, hereinafter referred to as LICENSEE or PARTY, as of the date of execution of the last PARTY hereto; the license is effective on the date of execution by the last signing PARTY and payment of the license fee (“EFFECTIVE DATE”).

WHEREAS, under the authority of 35 U.S.C. § 200 et seq., the U.S. Department of Commerce has issued Licensing Regulations (37 CFR Part 404) specifying the terms and conditions upon which licenses may be granted for inventions assigned to LICENSOR; and LICENSOR is the assignee of U.S. Patent No. _____ for an invention entitled “_____,” which issued on _____; and, LICENSEE, in consideration of the grant of a license under U.S. Patent No. _____, will pay royalties, make all necessary capital investments, and achieve PRACTICAL APPLICATION of the invention; and, LICENSOR has determined that the granting of a license to LICENSEE under U.S. Patent No. _____ will provide the necessary incentive for LICENSEE to achieve the desired early PRACTICAL APPLICATION of the invention and the granting of such license to LICENSEE will therefore be in the public interest;

NOW, THEREFORE, the LICENSOR and LICENSEE agree as set forth below:

ARTICLE 1: Definitions

“LICENSE TERM” shall mean the period of time starting with the EFFECTIVE DATE and ending with the last day that this AGREEMENT is in effect.

“LICENSED AREA” shall mean the United States and its territories.

“LICENSED FIELDS of USE” shall mean all fields of use.

“LICENSED INVENTION” shall mean the invention(s) defined by the claims of the LICENSED PATENT and as may be further limited by ARTICLE 2.

“LICENSED PATENT” shall mean United States Patent No(s). _____.

“PRACTICAL APPLICATION” shall mean, with respect to the LICENSED INVENTION, to reduce it to practice and to commercialize it, i.e., to manufacture it in the case of a composition or product, to practice it in the case of a process or method, or to operate it in the case of a machine or system; and, in each case, under such conditions as to establish: (a) that a market for the LICENSED INVENTION has been created, and to the extent practicable, that a market has been created in the United States; (b) that it is being utilized; and (c) that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms.

“PROCESSES” shall include: (i) any and all processes or methods which employ or are implemented by the practice of the invention claimed in the LICENSED PATENT, or (ii) the steps of any processes or method used, leased, transferred, or otherwise practiced by LICENSEE that is covered by or included within the LICENSED INVENTION.

“PRODUCTS” shall include the components of an item sold, used, leased, transferred, or otherwise disposed of by LICENSEE that is covered by, included within or made by the LICENSED INVENTION. For purposes of this license, PRODUCTS include any product that is based upon or derived from the LICENSED INVENTION.

“SALE” shall include the act of selling, leasing or otherwise transferring, providing, or furnishing for use for any consideration. SALE includes making or causing to be made a sale as well as to have made or caused to be made a sale. Under this AGREEMENT something is considered sold when invoiced, when shipped, or upon receipt of payment, whichever occurs first.

“SERVICES” shall include any services sold, used, leased, rented, transferred, or otherwise disposed of by LICENSEE or its agents which use or employ the LICENSED INVENTION.

ARTICLE 2: License Grant

2.1 LICENSOR hereby grants to LICENSEE a terminable, royalty-bearing, nonexclusive license to practice, i.e., to make, have made, use, offer to sell, sell, transfer, or dispose of, the LICENSED INVENTION in accordance with the LICENSED AREA and LICENSED FIELD(S) OF USE, as defined in ARTICLE 1.

2.2 LICENSOR, upon request, will use reasonable efforts to grant LICENSEE, in accordance with 37 CFR Part 404, a license to practice any inventions assigned to LICENSOR, without which license or licenses, the practice of the LICENSED INVENTION would result in infringement. The grant of said license or licenses shall be limited, however, to the extent necessary to practice the LICENSED INVENTION. There will be no such grant where said inventions are licensed exclusively.

2.3 Notwithstanding anything to the contrary in this AGREEMENT, LICENSEE shall take the license granted in this ARTICLE 2 subject to any outstanding or future licenses or other rights in third parties under agreements executed by LICENSOR before or after the License EFFECTIVE DATE.

2.4 LICENSOR minimally reserves an irrevocable, royalty-free right to practice and have practiced the LICENSED INVENTION, and any other inventions as provided in Section 2.2, throughout the world by or on behalf of the Government of the United States and on behalf of any foreign government pursuant to any existing or future treaty or agreement with the United States.

ARTICLE 3: Sublicenses

3.1 LICENSEE may not grant any sublicenses under this AGREEMENT.

ARTICLE 4: Term of License

4.1 The license granted in ARTICLE 2 will be in effect for a LICENSE TERM that is equal to the unexpired term of the last patent to be in effect of the patents(s) encompassed under the term LICENSED PATENT, unless either PARTY terminates this AGREEMENT earlier per ARTICLE 16.

ARTICLE 5: Practical Application

5.1 LICENSEE shall achieve PRACTICAL APPLICATION of the LICENSED PATENT within ‘ ___ ’ months of the EFFECTIVE DATE and in accordance with the schedule of milestones set forth in the APPENDIX to this AGREEMENT and hereby incorporated into this AGREEMENT. LICENSEE shall

notify LICENSOR within 30 days of achieving PRACTICAL APPLICATION that PRACTICAL APPLICATION has been achieved.

5.2 LICENSEE, once PRACTICAL APPLICATION of the LICENSED INVENTION is achieved, shall thereafter maintain it throughout the LICENSE TERM.

5.3 LICENSEE shall promptly report to LICENSOR its discontinuance of making the benefits of the LICENSED INVENTION available to the public.

ARTICLE 6: United States Manufacture

6.1 In achieving and maintaining PRACTICAL APPLICATION of the LICENSED INVENTION, LICENSEE agrees that any products embodying the LICENSED INVENTION or produced through the use of the LICENSED INVENTION shall be reduced to practice and manufactured substantially in the United States, in accordance with 35 U.S.C. 209(b). LICENSEE shall make a bona fide attempt to use or sell the LICENSED INVENTION in the United States.

ARTICLE 7: Royalty and Payment

7.1 In consideration of the license granted in ARTICLE 2, LICENSEE shall remit to LICENSOR a nonrefundable license fee in the amount of \$ _____ upon the execution of this agreement by LICENSEE.

7.2 Additionally, LICENSEE agrees to pay LICENSOR an annual royalty in the amount of \$ _____. This royalty will accrue on each yearly anniversary of the EFFECTIVE DATE, commencing on the first such anniversary date, and continuing for each such anniversary date thereafter, for the duration of the LICENSE TERM. LICENSEE must pay LICENSOR this royalty within thirty (30) calendar days from such annual anniversary date. Should this AGREEMENT terminate or expire before an annual anniversary of the EFFECTIVE DATE date, a time prorated royalty shall immediately accrue and be due to LICENSOR, upon such termination or expiration.

7.3 Royalties shall be paid by check, denominated in United States dollars, and made payable to the National Aeronautics and Space Administration. The check shall be mailed to LICENSOR at the address set forth in ARTICLE 13 of this AGREEMENT concurrently with the report required in ARTICLE 8 of this AGREEMENT. LICENSOR's acceptance of any royalty payment does not eliminate LICENSOR's right to contest the accuracy of such payment in the future. Payments due LICENSOR that are not timely paid may be submitted to LICENSOR'S Accounts Receivable Department for collection. Per 31 C.F.R. §§ 900-904, if NASA must pursue legal means to obtain payments owed by LICENSEE, LICENSEE will pay NASA for all legal costs and any other related costs expended by NASA to collect payments owed by LICENSEE.

ARTICLE 8: Reports

8.1 LICENSEE shall submit to LICENSOR written reports on an annual basis within thirty (30) calendar days from EFFECTIVE DATE. Each report shall be submitted concurrently with the royalties required by ARTICLE 7. To ensure that any proprietary information submitted by LICENSEE is protected to the fullest extent of the law, LICENSEE should mark with a proprietary notice any portions of the report that are considered proprietary to LICENSEE.

8.2 Each report shall include the following information:

- (a) With reference to the schedule set forth in the APPENDIX to this AGREEMENT, a narrative description of the steps taken or being taken to reduce the LICENSED INVENTION to practice, as well as the steps taken or being taken to create a market demand for the LICENSED INVENTION and to commercialize the LICENSED INVENTION.
- (b) A narrative description of the PRODUCTS, PROCESSES, and SERVICES currently being offered for SALE by LICENSEE. Copies of current sales brochures, promotional materials, and price lists shall be included with this description.
- (c) A list of the geographic locations at which the LICENSED INVENTION is being manufactured.
- (d) The number, type, and total SALE of PRODUCTS, PROCESSES and SERVICES sold or disposed of by LICENSEE.
- (e) LICENSEE's gross sales of PRODUCTS, PROCESSES and SERVICES.

8.3 Each report shall include a certification by an officer of LICENSEE that the LICENSEE is complying with the terms and conditions of this AGREEMENT and that the responses to each part of article 8.2 are accurate and complete.

8.4 LICENSEE shall, on an annual basis, submit to LICENSOR an internally audited balance sheet and an internally audited income statement.

8.5 A final report shall be submitted to LICENSOR by LICENSEE within thirty calendar (30) days after the termination or expiration of this AGREEMENT.

ARTICLE 9: Marking

9.1 LICENSEE shall mark all PRODUCTS, or products incorporating the LICENSED INVENTION, in accordance with the statutes of the United States relating to the marking of patented articles (see 35 U.S.C. § 287), with the notation "Licensed from the National Aeronautics and Space Administration under <insert a listing of all licensed patents>." Such marking shall also be included in all literature and/or advertising materials describing the LICENSED INVENTION.

ARTICLE 10: Use of the NASA Name

10.1 Except as required by ARTICLE 9, LICENSEE may use the name of LICENSOR, or the acronym "NASA," only in truthful statements concerning its relationship with LICENSOR. The letters 'NASA' may be used in such truthful statements only if they are: (a) used in their normal typed or printed form; (b) the same size, color, and intensity as the rest of the words in a sentence; (c) not used in their stylized version as they appear in the NASA logotype or NASA insignia; and (d) not used to indicate that NASA endorses the LICENSEE's products, methods, etc. Any other use of the letters 'NASA' shall require express written approval of LICENSOR.

ARTICLE 11: Disclaimer of Warranties

11.1 LICENSOR MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, AS TO ANY MATTER WHATSOEVER.

11.2 ALL REPRESENTATIONS AND WARRANTIES, EXPRESS, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF

**MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXCLUDED
HEREUNDER.**

11.3 In particular, nothing in this AGREEMENT shall be construed as:

- (a) A warranty or representation by LICENSOR as to the validity or scope of any LICENSED PATENT; or
- (b) 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 type, including patent infringement, copyright infringement, and trademark infringement; or
- (c) A requirement that LICENSOR shall file any patent application, secure any patent, or maintain any patent in force, other than the LICENSED PATENT; or
- (d) An obligation to bring or prosecute actions or suits against third parties for infringement; or
- (e) An obligation to furnish any manufacturing or technical information; or, if any such information is supplied, a warranty or representation that such information is accurate; or
- (f) Conferring a right to use in advertising, publicity or otherwise the name of any inventor of the LICENSED INVENTION or the NASA name, seal, insignia, logotype or any other adaptation without the prior written consent of LICENSOR (except as otherwise provided in ARTICLE 10); or
- (g) Precluding the export from the United States of PRODUCTS on which royalties shall have been paid as provided in ARTICLE 7, provided that the item can be exported under the export control laws of the United States; or
- (h) Granting by implication or estoppel, any licenses or other rights under any patent of LICENSOR or any other entity including a natural person in the United States or any foreign country; or
- (i) Granting by implication, estoppel, or otherwise, any licenses or rights under patents or patent applications of LICENSOR other than the LICENSED INVENTION, regardless of whether such other patents or patent applications are dominant, subordinate, or an improvement to the invention or inventions as claimed, of the LICENSED PATENT, nor to other applications that did not claim the invention.
- (j) Conferring upon any person or entity (1) any immunity from or defenses under the antitrust laws, (2) any immunity from a charge of patent misuse, or (3) any immunity from the operation of Federal, State, or other law.

ARTICLE 12: Risk Allocation and Indemnification

12.1 LICENSOR makes no representation, extends no warranties of any kind, either express or implied, and assumes no responsibility whatsoever with respect to use, sales, or other disposition by LICENSEE or its vendees or other transferees of products incorporating or made by the use of (a) the LICENSED INVENTION or (b) information, if any, furnished under this AGREEMENT.

12.2 LICENSEE shall indemnify LICENSOR, its officers and employees, and hold them harmless against all liabilities, demands, damages, expenses, or losses including, but not limited to, attorney's fees, court costs, and the like, arising (a) out of the use by LICENSEE or its transferees of the LICENSED INVENTION or information furnished under this AGREEMENT, or (b) out of any sale, use, or other disposition by LICENSEE or its transferees of products, processes, or compositions, made by use of such inventions or information.

12.3 It shall be the sole responsibility of the LICENSEE to ensure that any and all embodiments of the LICENSED INVENTION are safe under all circumstances.

12.4 Independent of, severable from, and to be enforced independently of any other enforceable or unenforceable provision of this AGREEMENT, other than as provided in Sections 12.1 and 12.2, or other than for infringement of one PARTY's intellectual property rights by another PARTY, (including any

engagement in licensable activities by licenses beyond the scope of the license provided by this AGREEMENT), neither PARTY will be liable to the other PARTY (nor to any third party claiming rights derived from the other PARTY's rights) for incidental, consequential, special, punitive, or exemplary damages of any kind, including lost profits, loss of business, or other economic damage, and further including injury to property, as a result of breach of any warranty or other term of this AGREEMENT, regardless of whether the PARTY liable or allegedly liable was advised, had reason to know, or in fact knew of the possibility thereof.

ARTICLE 13: Notices and Points of Contact

13.1 Any notice is required to be given in writing and will be deemed to have been properly given and to be effective on the date of delivery if delivered in person, or submitted electronically by fax or email to the POC given below; or on the fifth business day after it was mailed if mailed by either first-class certified U.S. mail or commercial courier traceable mail to the respective addresses given below.

Points of Contact:

LICENSOR

LICENSEE

Name:

Name:

Title:

Title:

Address:

Address:

Telephone No.:

Telephone No.:

Email:

Email:

ARTICLE 14: Patent Validity

14.1 In the event evidentiary material comes to the attention of the LICENSEE that, in the judgment of the LICENSEE, bears on the validity or scope of any LICENSED PATENT, the LICENSOR will in good faith discuss with the LICENSEE whether such evidentiary material so affects the validity or scope of the LICENSED PATENT to which it is asserted to apply that the terms of the license in respect to such LICENSED PATENT should be modified. If a judgment or decree is entered in any proceeding in which the validity, infringement, or priority of invention of any claim of the LICENSED PATENT is in issue, the final judgment shall be followed relative to such claim.

ARTICLE 15: Dispute or Breach

15.1 All disputes concerning the interpretation or application of this AGREEMENT shall be discussed mutually between the PARTIES. Any disputes that are not disposed of by mutual agreement shall be decided by the NASA Agency Counsel for Intellectual Property, or designee, who shall reduce the decision to writing and mail or otherwise deliver a copy thereof to LICENSEE. LICENSEE may respond to such notice of a dispute decision in accordance with the procedures set forth in Section 16.4.

15.2 In the event of a breach of any provision of this AGREEMENT, the non-breaching PARTY shall give the breaching PARTY notice describing the breach and stating that the breaching PARTY has thirty (30) calendar days after notice of the breach to cure the breach or show cause why the AGREEMENT should not be terminated.

15.3 No cure period is required, except as may be otherwise provided in this AGREEMENT, if:

- (a) This AGREEMENT sets forth specific deadline dates for the obligation allegedly breached; or
- (b) This AGREEMENT otherwise states that no cure period is required in connection with the termination in question.

15.4 The breaching PARTY will be deemed to have cured such breach if within the cure period it takes steps reasonably adequate to alleviate any damage to the non-breaching PARTY resulting from the breach and to prevent a similar future breach.

ARTICLE 16: Termination or Modification

16.1 The PARTIES may terminate or modify this AGREEMENT by mutual consent upon such terms as they may agree in writing.

16.2 LICENSEE may prospectively terminate this AGREEMENT upon ninety (90) calendar days written notice to LICENSOR. Unless otherwise agreed to by the PARTIES in accordance with Section 16.1, such prospective termination will become effective ninety (90) calendar days after the effective date of the notice as determined in accordance with Section 13.1.

16.3 This AGREEMENT may be terminated by LICENSOR, in whole or in part, if:

- (a) LICENSOR determines that LICENSEE has failed or will fail to meet milestones in accordance with the schedule set forth in the APPENDIX to this AGREEMENT and incorporated into this AGREEMENT, or to achieve or maintain PRACTICAL APPLICATION of the LICENSED INVENTION as provided by ARTICLE 5.
- (b) LICENSOR determines that LICENSEE has failed or will fail to reduce to practice or substantially manufacture the LICENSED INVENTION in the United States as provided by article 6.1.
- (c) LICENSEE fails to pay royalties or submit reports as provided by ARTICLES 7 and 8.
- (d) LICENSOR determines that such action is necessary to meet the requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by LICENSEE.
- (e) The LICENSEE has willfully made a false statement of or willfully omitted a material fact in the license application or in any report required by this AGREEMENT.
- (f) The LICENSEE has been found by a court of competent jurisdiction to have violated the Federal antitrust laws in connection with its performance under this AGREEMENT.
- (g) LICENSEE commits a breach of a covenant contained in this AGREEMENT.
- (h) LICENSEE becomes insolvent or has ceased to pay debts including royalty payments.

16.4 Before LICENSOR unilaterally modifies or terminates this AGREEMENT for any cause, LICENSOR will deliver to LICENSEE a written notice stating LICENSOR's intention to modify or terminate the AGREEMENT and the reasons therefor. LICENSEE will be allowed thirty (30) calendar days after: (a) such notice of intention to modify or terminate the AGREEMENT to remedy any BREACH of the AGREEMENT or show cause why the AGREEMENT should not be unilaterally modified or terminated; or, (b) a notice of a dispute decision, rendered in accordance with Section 15.1, to rebut such decision. A response to a notice regarding modification or termination or to a notice of a dispute decision should be addressed to the General Counsel, National Aeronautics and Space Administration, Washington, DC 20546. The General Counsel will render a determination based on the LICENSEE's response within a reasonable time.

16.5 If no response under Section 16.4 (a) is provided by LICENSEE to a notice regarding modification, or termination, the AGREEMENT will be unilaterally modified or will terminate, effective thirty-one calendar(31) days from the notice of modification or termination, with no right to appeal under Section 16.6. If no response under Section 16.4(b) is provided by LICENSEE to a notice of a dispute decision provided under Section 15.1, the decision by the Agency Counsel for Intellectual Property will be final, effective thirty-one (31) calendar days from the dispute decision, with no right to appeal under Section 16.6.

16.6 LICENSEE may appeal in writing to the NASA Administrator, any determination rendered by the General Counsel in accordance with Section 16.4, within thirty (30) calendar days of notice of such determination. The notice of appeal and all supporting documentation should be addressed to the Administrator, National Aeronautics and Space Administration, Washington, DC 20546. LICENSEE shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. The decision on the appeal shall be made by the NASA Administrator or designee, which shall be the final agency decision from which there will be no further right of administrative appeal. Nothing in this Article shall be interpreted as precluding actions at law.

16.7 If no action is taken under Section 1, then the determination rendered by the General Counsel shall become final within thirty-one (31) calendar days after delivery of the notice of such determination.

16.8 All royalties and reports due up to and including the date of termination of this AGREEMENT are due within thirty (30) calendar days of the date of termination. As such, the following rights and obligations survive any termination to the extent necessary to permit their complete fulfillment or discharge:

- (a) LICENSEE'S obligation to supply a final report as specified in Section 8.5 of this AGREEMENT;
- (b) LICENSOR'S right to receive or recover and LICENSEE'S obligation to pay royalties accrued or accruable for payment at the time of any termination; and
- (c) LICENSEE'S obligation to maintain records in accordance with ARTICLE 8 of this AGREEMENT.

ARTICLE 17: Assignment

17.1 Upon written approval by LICENSOR, LICENSEE may assign this AGREEMENT provided that LICENSEE submits to LICENSOR, in advance, a written request for permission to grant the assignment, information that NASA considers necessary to evaluate the proposed assignment, and a copy of the proposed assignment. If LICENSOR approves the assignment as being consistent with the Government's interests, the PARTIES and the assignee will be required to execute a novation agreement. At a minimum, the novation agreement will provide that LICENSEE waives all rights under the license, the assignee assumes all obligations under the AGREEMENT, and that LICENSOR recognizes the assignee as the successor in interest to the AGREEMENT.

ARTICLE 18: Governing Law

18.1 This AGREEMENT will be interpreted and enforced in accordance with United States federal law.

ARTICLE 19: Nonwaiver

19.1 The failure of either PARTY at any time to require performance by the other PARTY of any provisions of this AGREEMENT shall in no way affect the right of such PARTY to require future performance of that provision. Any waiver by either PARTY of any BREACH of any provision of this AGREEMENT shall not be construed as a waiver of any continuing or succeeding BREACH of such provision, a waiver of the provision itself, or a waiver of any right under this AGREEMENT.

ARTICLE 20: Entire Agreement

20.1 Except as may be expressly provided otherwise herein, this AGREEMENT constitutes the entire agreement between the PARTIES concerning the subject matter thereof. No prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the PARTIES with reference thereto will be of any force or effect. This AGREEMENT may only be modified by written agreement of the PARTIES.

ARTICLE 21: Counterparts

21.1 This AGREEMENT may be executed in separate counterparts, each of which so executed and delivered shall constitute an original, but all such counterparts shall together constitute one and the same instrument. The PARTIES stipulate that a photostatic copy of an executed original will be admissible in evidence for all purposes in any proceeding as between the PARTIES.

ARTICLE 22: Acceptance

22.1 In witness whereof, each PARTY has caused this AGREEMENT to be executed by its duly authorized representatives:

LICENSOR:

National Aeronautics and
Space Administration

By:
Typed Name
Title
Date

LICENSEE:

Company Name

By:
Typed Name
Title
Date

APPENDIX A

Milestones

SAMPLE