
Company Name

**READY-TO-SIGN NONEXCLUSIVE
PATENT LICENSE AGREEMENT**

This license agreement ("Agreement") between Lawrence Livermore National Security, LLC ("LLNS"), under its United States Department of Energy ("DOE") Contract No. DE-AC52-07NA27344 to manage and operate Lawrence Livermore National Laboratory ("LLNL"), and

Company Name ("LICENSEE"), a _____
(State of Incorporation)

corporation having its principal place of business at:

(Company Address)

is effective on the date of execution by the last signing Party and payment of the license fee and U.S. patent maintenance fee ("Effective Date"). This Agreement and the resulting license are subject to overriding obligations to the U.S. Government pursuant to the provisions of LLNS's Contract No. DE-AC52-07NA27344 with the DOE for the operation of the LLNL and DOE's grant of patent rights to LLNS.

1 BACKGROUND

- 1.1 Certain inventions characterized as Optically Triggered Fire Set Detonator ("Invention") described in LLNL patents, which may be useful for simultaneously initiating multiple explosive devices for use in various applications, including wellbore applications, were made at LLNL and are covered by LLNS Licensed Patents as defined in Article 2 (DEFINITIONS).
- 1.2 **LICENSEE** requested certain rights from LLNS to commercialize the Invention.
- 1.3 LLNS wishes to respond to **LICENSEE**'s request by granting the following rights to **LICENSEE** so that the products and other benefits derived from the Invention can be enjoyed by the general public.
- 1.4 LLNS has informed **LICENSEE** and **LICENSEE** understands that the Invention is a research product from a national laboratory and requires additional development for its commercialization. **LICENSEE** agrees it is solely responsible for the additional development of the Invention for commercialization purposes.

THEREFORE, the Parties agree as follows:

2 DEFINITIONS

- 2.1 "Licensed Patent(s)" means LLNS's Docket No. IL11035A; U.S. Patent No. 7,191,706, Optically Triggered Fire Set Detonator.

- 2.2 "Licensed Method" means any process or method the use or practice of which, but for the license granted in this Agreement, would infringe, or contribute to, or induce the infringement of, any Licensed Patent.
- 2.3 "Licensed Product" means all kits, compositions of matter, materials, articles of manufacture, and products the manufacture, use, Sale, offer for Sale, or import of which, but for the license granted in this Agreement, would infringe, or contribute to or induce the infringement of any Licensed Patent, or would require the practice of the Licensed Method.
- 2.4 "Licensed Service" means the use of Licensed Products or Licensed Method to provide a service to a customer.
- 2.5 "Sale" means the act of selling, leasing or otherwise transferring, providing, or furnishing for use for any consideration. Correspondingly, "Sell" means to make or cause to be made a Sale, and "Sold" means to have made or caused to be made a Sale.

3 LICENSE GRANT

- 3.1 LLNS grants **LICENSEE** a nonexclusive, nontransferable, royalty-free license under the Licensed Patent to make, have made, use, import, offer for Sale and Sell Licensed Products, perform Licensed Services, and practice Licensed Methods in the United States.
- 3.2 LLNS does NOT: (a) grant to **LICENSEE** any other licenses, implied or otherwise, to any patents or other rights of LLNS other than those granted under the 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) grant to **LICENSEE** the right to sublicense; (c) commit to **LICENSEE** to bring suit against third parties for infringement; or (d) agree to furnish to **LICENSEE** any technology or technological information other than the Invention or to provide **LICENSEE** with any assistance.
- 3.3 The license granted hereunder will be subject to the overriding obligations to the U.S. Government including those set forth in 35 U.S.C. §§ 200-212 and applicable governmental implementing regulations and the obligation to report on utilization of the Invention set forth in 37 CFR § 401.14(h). LLNS grants to the U.S. Government a nontransferable, paid-up, nonexclusive, irrevocable license to use the Invention by, or on behalf of, the U.S. Government throughout the world.
- 3.4 This Agreement is binding on and inures to the benefit of LLNS, its successors and assigns, but is personal to **LICENSEE**. **LICENSEE** may not assign this Agreement for any reason.

4 DUE DILIGENCE

LICENSEE, upon execution of this Agreement, will diligently proceed with the development, manufacture, and Sale of Licensed Products, and will earnestly and diligently market the same after execution of this Agreement and in quantities sufficient to meet the market demands therefore.

5 REPORTS

- 5.1 **LICENSEE** will submit to LLNS an annual progress report as described in Paragraph 5.2 below covering activities by **LICENSEE** related to the development and Sale of all Licensed Products or Licensed Service on or before February 28 of each year. Such progress report will be signed by **LICENSEE**'s President or his/her designee attesting to the accuracy of the information in the report. If **LICENSEE** fails to submit a timely progress report to LLNS, LLNS will be entitled to terminate this Agreement. If either Party terminates this Agreement before any Licensed Products or Licensed Services are Sold or before this Agreement's expiration, a final progress report covering the period prior to termination must be submitted within thirty (30) days of termination.
- 5.2 The progress reports submitted under Paragraph 5.1 above will include, but not be limited to, a reasonably detailed summary of the following topics:
- Work completed toward commercialization of Licensed Patents;
 - Financial investment made in the commercialization effort;
 - Anticipated and actual market introduction dates of each Licensed Product or Licensed Service; and
 - Marketing and sales activities, including copies of such literature and gross sales of each Licensed Product or Licensed Service.
- 5.3 **LICENSEE** also will report to LLNS the date of first Sale or other exploitation of a Licensed Product, Licensed Service, or Licensed Method within thirty (30) days of such Sale or other exploitation.

6 FEES AND PAYMENTS

- 6.1 As partial consideration for the rights granted to **LICENSEE**, **LICENSEE** will pay to LLNS a non-refundable license fee of Twenty-Five Thousand Dollars (\$25,000), and a non-refundable U.S. patent maintenance fee of Seven Thousand, Five Hundred Dollars (\$7,500) for maintaining U.S. patent(s) listed in Article 2.1
- 6.2 All consideration due LLNS shall be payable in United States Dollars.
- 6.3 If LLNS must pursue legal means to obtain payments owed by **LICENSEE**, **LICENSEE** will pay LLNS for all legal costs and any other related costs expended by LLNS to collect payments owed by **LICENSEE**.
- 6.4 LLNS or the U.S. Government may, at its sole discretion and expense, continue maintenance of any patents for which **LICENSEE** has relinquished rights.

7 LIFE OF THE AGREEMENT

Unless otherwise terminated by operation of law, or by acts of the Parties in accordance with the terms of this Agreement, this Agreement will remain in effect from the Effective Date until the expiration or abandonment of the last of the Licensed Patent(s).

8 TERMINATION

- 8.1 Termination by LLNS: If **LICENSEE** fails to perform any material term or covenant of this Agreement, LLNS may give written notice to **LICENSEE** that if **LICENSEE** has not cured such failure within thirty (30) days after the effective date of receipt of the notice, this Agreement will terminate at the end of such thirty (30) day period or at the end of such longer period as may be set forth in LLNS's notice. This Agreement will terminate effective ten (10) days after the effective date of notice by LLNS if **LICENSEE** ceases to carry on its business.
- 8.2 Termination by **LICENSEE**: **LICENSEE** will have the right at any time to terminate this Agreement by providing a notice of termination to LLNS. Termination of this Agreement will be effective sixty (60) days after the date such notice takes effect.

9 LIMITED WARRANTY

- 9.1 LLNS warrants to **LICENSEE** that it has the lawful right to grant this license.
- 9.2 Except as expressly set forth in this Agreement, the licenses and the associated Invention, Licensed Patent, Licensed Products, Licensed Services, and Licensed Methods are provided by LLNS WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED. LLNS MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY THAT THE INVENTION, LICENSED PATENT, LICENSED PRODUCTS, LICENSED SERVICE, OR LICENSED METHODS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS.
- 9.3 Nothing in this Agreement is or will be construed as:
- 9.3.1 a warranty or representation by LLNS as to the validity, enforceability, or scope of any Licensed Patent; or
 - 9.3.2 a warranty or representation that anything made, used, sold, or otherwise disposed of under the license granted in this Agreement is or will be free from infringement of patents, copyrights, or other rights of third parties; or
 - 9.3.3 an obligation to bring or prosecute actions or suits against third parties for patent infringement; or
 - 9.3.4 conferring by implication, estoppel, or otherwise any license or rights under any patents or other rights of LLNS other than Licensed Patent, regardless of whether such patents are dominant or subordinate to Licensed Patent; or
 - 9.3.5 an obligation to furnish any new developments, know-how, technology, or technological information not provided in Licensed Patent.
- 9.4 LIMITATION OF LIABILITY - LLNS OR DOE WILL NOT BE LIABLE FOR ANY LOST PROFITS, COSTS OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST BUSINESS, ENHANCED DAMAGES FOR INTELLECTUAL PROPERTY INFRINGEMENT, OR FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE, OR OTHER SPECIAL DAMAGES SUFFERED BY **LICENSEE**, JOINT

VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT, FOR ALL CAUSES OF ACTION OF ANY KIND (INCLUDING TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY AND BREACH OF WARRANTY) EVEN IF LLNS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

10 INDEMNIFICATION

LICENSEE WILL INDEMNIFY, HOLD HARMLESS, AND DEFEND LLNS, DOE, THEIR OFFICERS, EMPLOYEES, AND AGENTS; THE SPONSORS OF THE RESEARCH THAT LED TO THE INVENTION; AND THE INVENTORS OF ANY INVENTION CLAIMED IN THE LICENSED PATENT (INCLUDING THE LICENSED PRODUCTS, LICENSED SERVICES, AND LICENSED METHODS CONTEMPLATED THEREIN) AND THEIR EMPLOYERS AGAINST ANY AND ALL CLAIMS, SUITS, LOSSES, DAMAGE, COSTS, FEES, AND EXPENSES RESULTING FROM, OR ARISING OUT OF, THE EXERCISE OF THIS LICENSE. **LICENSEE** WILL PAY ANY AND ALL COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY LLNS IN ENFORCING THIS INDEMNIFICATION. THIS INDEMNIFICATION WILL INCLUDE, BUT WILL NOT BE LIMITED TO, ANY PRODUCT LIABILITY.

11 GOVERNING LAWS; VENUE; ATTORNEYS FEES

- 11.1 The Parties will attempt to jointly and promptly resolve any disputes arising from this Agreement. If the Parties are unable to resolve a dispute within a reasonable time from one Party's written notice to the other that dispute resolution has begun, then either Party may commence proceedings in a court of competent jurisdiction.
- 11.2 THIS AGREEMENT WILL BE INTERPRETED AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, excluding any choice of law rules that would direct the application of the laws of another jurisdiction, but the scope and validity of any Licensed Patent will be governed by the applicable laws of the United States. Any legal action related to this Agreement will be conducted in the State of California.

12 PATENT MARKING

LICENSEE will mark all Licensed Products and their containers that are made, used, Sold, or otherwise disposed of under this Agreement in accordance with applicable patent marking laws.

13 COMPLIANCE WITH LAWS

- 13.1 **LICENSEE** will comply with all applicable international, national, state, regional and local laws and regulations in performing its obligations hereunder and in its use, manufacture, Sale, or import of the Licensed Products, performance of Licensed Services, or practice of the Licensed Methods.

Company Name

13.2 **LICENSEE** will comply with all applicable United States and foreign laws with respect to the transfer of Licensed Products and related technical data and the provision of Licensed Services to foreign countries, including, without limitation, the International Traffic in Arms Regulations (ITAR) and the Export Administration Regulations (EAR).

13.3 **LICENSEE** will manufacture Licensed Products, perform Licensed Services, and practice Licensed Methods in compliance with applicable government importation laws and regulations of a particular country for Licensed Products made outside the particular country in which such Licensed Products are used or Sold.

14 UNITED STATES PREFERENCE

LICENSEE agrees that any Licensed Products embodying the Invention or produced through the use thereof will be manufactured substantially in the United States.

15 NOTICES

15.1 Any notice or payment required to be given to either Party will be deemed to have been properly given and to be effective:

15.1.1 on the date of delivery if delivered in person; or

15.1.2 on the date of mailing if mailed by first-class certified mail, postage paid; or

15.1.3 on the date of mailing if mailed by any global express carrier service that requires the recipient to sign the documents demonstrating the delivery of such notice of payment;

15.2 to the respective addresses given below, or to another address as designated in writing by the Party changing its address.

<p><u>In the case of LICENSEE:</u></p> <p>_____</p> <p>Company Name</p> <p>_____</p> <p>Address</p> <p>_____</p> <p>City, State, Zip</p> <p>Phone: _____</p> <p>Fax: _____</p> <p>Email: _____</p> <p>Attention: _____</p>	<p><u>In the case of LLNS:</u></p> <p>Lawrence Livermore National Laboratory Industrial Partnerships Office P.O. Box 808, L-795 7000 East Avenue Livermore, CA 94550 Fax: (925) 423-8988 Email: RTSlcensing@llnl.gov Attention: Director, Industrial Partnerships</p>
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Company Name

16 PROPRIETARY INFORMATION

LLNS may disclose the existence of this Agreement and the extent of the grant in Article 3 (LICENSE GRANT) to a third party, but will not disclose the name of **LICENSEE** or any other terms, except with **LICENSEE**'s consent or as required under a government audit, the California Public Records Act, the Freedom of Information Act, or other applicable law.

In witness whereof, both LLNS and **LICENSEE** have executed this Agreement, in duplicate originals, by their respective officers hereunto duly authorized, on the date and year hereinafter written.

Company Name

**LAWRENCE LIVERMORE
NATIONAL SECURITY, LLC
LAWRENCE LIVERMORE
NATIONAL LABORATORY**

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: Director, LLNL

Date signed: _____

Date signed: _____

Date