

## EXAMPLE OPENFLOW COPYRIGHT LICENSE AGREEMENT

This agreement ("Agreement") is entered into as of \_\_\_\_\_, 201\_\_ (the "Effective Date") by and between <COMPANY NAME>, a <STATE> corporation having an address at <ADDRESS> ("LICENSEE") and The Regents of the University of California, a California public corporation having its statewide administrative offices at 1111 Franklin Street, Oakland, California 94607-5200 ("UNIVERSITY"), represented by its San Diego campus having an address at University of California, San Diego, Technology Transfer Office, Mail Code 0910, 9500 Gilman Drive, La Jolla, California 92093-0910 ("UCSD").

### BACKGROUND

A. The authored work disclosed in UCSD Disclosure Docket No. SD\_\_\_\_ and titled "**DISCLOSURE TITLE - MUST BE ACCURATE**" ("Software"), was made in the course of research at UCSD by Dr. \_\_\_\_\_ and his/her associates (hereinafter and collectively, the "Authors") and is protected by copyright (the "Copyright").

B. LICENSEE is desirous of obtaining certain rights from UNIVERSITY for commercial development, use, and sale of works covered by such Copyright, and the UNIVERSITY is willing to grant such rights.

The parties agree as follows:

### ARTICLE 1. DEFINITIONS

The capitalized terms have the meanings set forth in Schedule I or as defined elsewhere in this Agreement, and have the same meanings in both their singular and plural forms.

### ARTICLE 2. GRANTS

**2.1 License.** Subject to the limitations set forth in this Agreement and to the extent that it may lawfully do so, UNIVERSITY hereby grants to LICENSEE an exclusive Copyright license to reproduce, prepare derivative works, publicly perform, publicly display, and distribute all or any part of the Software separately or with or as part of any product or service; in each case: (a) directly or by sublicense (subject to Paragraph 2.2); and (b) only in the Field within the Territory during the Term. LICENSEE may extend such license to its AFFILIATES, provided that LICENSEE will be responsible for such AFFILIATES.

#### **2.2 Sublicense.**

(a) The license granted in Paragraph 2.1 includes the right of LICENSEE to grant Sublicenses to third parties during the Term provided that, with respect to Sublicense granted pursuant to this paragraph, LICENSEE shall:

(i) to the extent applicable, include all of the rights of and obligations due to UNIVERSITY (and, if applicable, sponsor's rights) contained in this Agreement;

(ii) promptly provide UNIVERSITY with a copy of each Sublicense issued; and

(iii) include written documentation that the Sublicensee's use of sublicensed software is based on a license from the UNIVERSITY and all rights granted in the Sublicense are subject to and conditioned upon that license.

(b) Upon termination of this Agreement for any reason, UNIVERSITY, at its sole discretion, shall determine whether LICENSEE shall cancel or assign to UNIVERSITY any and all Sublicenses. For the avoidance of doubt, AFFILIATES' rights extended by LICENSEE also terminate upon termination of this Agreement.

### ARTICLE 3. CONSIDERATION

#### **3.1 Fees.**

(a) LICENSEE shall pay UNIVERSITY:

(i) A license issue fee in the form of five percent (5%) of the LICENSEE's fully paid and nonassessable shares of common stock as further specified and described in Exhibit C, D, and E.

This Paragraph 3.1(a) and Exhibits C, D, and E will survive the termination, expiration or assignment of this Agreement.

(b) license maintenance fees of \_\_\_\_\_ dollars (US\$ \_\_\_\_\_) per year and payable on the first anniversary of the Effective Date and annually thereafter on each anniversary.

All fees and payments specified in Paragraphs 3.1(a) and 3.1(b) above shall be paid by LICENSEE pursuant to Schedule I.B and shall be delivered by LICENSEE to UNIVERSITY as noted in Schedule I.H.

#### **3.2 Due Diligence.**

(a) LICENSEE shall, either directly or through its Affiliate(s) or Sublicensee(s):

(i) diligently develop, manufacture, and sell products or services under the rights granted in Article 2; and

(ii) achieve the milestones described in Exhibit B.

(b) If LICENSEE fails to perform any of its obligations specified in Paragraphs 3.2(a)(i)-(ii), then UNIVERSITY shall have the right and option to either terminate this Agreement or change LICENSEE's exclusive license to a nonexclusive license.

This right, if exercised by UNIVERSITY, is in addition to all other rights UNIVERSITY may have at law or equity.

**ARTICLE 4. RESERVATION OF RIGHTS**

(a) UNIVERSITY reserves the right to:

- (i) use the Software, Copyright, and LICENSEE Derivative Works (if any) in support of university activities, including education and research;
- (ii) publish or otherwise disseminate any information about the Software and Copyright at any time; and
- (iii) allow other nonprofit institutions to use the Software and Copyright, and to publish or otherwise disseminate any information about Software, Copyright, and LICENSEE Derivative Works (if any) for educational and research purposes.

**ARTICLE 5. REPORTS**

**5.1 Reports.**

- (a) Beginning six (6) months after the Effective Date and within sixty (60) days after the end of each of LICENSEE’s fiscal years, LICENSEE shall furnish UNIVERSITY with a written report on the progress of its efforts during the immediately preceding fiscal year to develop and commercialize products or services. The report shall provide a discussion, to UNIVERSITY’s satisfaction, of intended efforts and sales projections for the year in which the report is submitted.
- (b) LICENSEE shall report to UNIVERSITY the date of a first commercial sale under this Agreement anywhere in the world. Beginning three (3) months after the Effective Date and ending on the date the first commercial sale is reported to UNIVERSITY, LICENSEE shall disclose to UNIVERSITY upon request the status of when such first commercial sale is expected.

**ARTICLE 6. INDEMNIFICATION**

LICENSEE will, and will require Sublicensees to, indemnify, hold harmless, and defend (a) UNIVERSITY and its officers, employees, and agents, (b) the sponsors of the research that led to the Software and Copyrights, and (c) the Authors of the Software and their employers against any and all claims, suits, losses, damages, costs, fees, and expenses resulting from, or arising out of, the exercise of this license or any Sublicense. This indemnification will include, but will not be limited to, any product liability.

**ARTICLE 7. NO WARRANTY**

The license granted herein and the associated Software are provided “AS IS” and without WARRANTY OF MERCHANTABILITY or WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE or any other warranty, express or implied. UNIVERSITY makes no representation or warranty that the use of the Software or Copyright rights will not infringe any other proprietary rights.

**ARTICLE 8. INSURANCE**

LICENSEE, and each Sublicensee, shall, at its own expense, obtain and maintain throughout the term of this Agreement, commercial general liability insurance with a limit of not less than One Million U.S. Dollars (US\$ 1,000,000) per occurrence and Two Million U.S. Dollars (US\$ 2,000,000) aggregate for products liability and completed operations from an insurance company having a financial rating from AM Best or similar rating service of at least an "A". UNIVERSITY shall be identified and named as an additional insured on such insurance policy. Certificates documenting such insurance shall be provided to UNIVERSITY annually.

**ARTICLE 9. ENTIRE AGREEMENT**

This Agreement, including Exhibits A, B, C, D, and E and the terms set forth in Schedule I, embodies the entire understanding of the parties and supersedes all previous communications or understandings, either oral or written, between the parties relating to the subject matter hereof.

**[COMPANY NAME]:**

By:           **DRAFT-DO NOT SIGN**            
(Signature)

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

Title: \_\_\_\_\_

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

**THE REGENTS OF THE  
UNIVERSITY OF CALIFORNIA:**

By: \_\_\_\_\_  
(Signature)

Paul Roben, Ph.D.

Associate Vice Chancellor-  
Office of Innovation and Commercialization

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

## SCHEDULE I

### A. Definitions

“Affiliate” means any corporation, firm, limited liability company, partnership or other entity that directly or indirectly Controls or is Controlled by or is under common control with LICENSEE. “Control” means (i) having the actual, present capacity to elect a majority of the directors of such entity; (ii) having the power to direct at least forty percent (40%) of the voting rights entitled to elect directors; or (iii) in any country where the local law will not permit foreign equity participation of a majority, ownership or control, directly or indirectly, of the maximum percentage of such outstanding stock or voting rights permitted by local law.

“Field” means ...

“LICENSEE Derivative Work” means any development or modification created by or on behalf of LICENSEE that includes, or is based in whole or in part, on the Software, including, all works developed by or on behalf of LICENSEE which would be characterized as derivative works of the Software under the United States Copyright Act of 1976, as amended from time to time, but not limited to, translations, recastings, transformations, or adaptations of the Software to other hardware platforms or computer interfaces, or works consisting of revisions, or other modifications of the Software.

“Sublicense” means an agreement into which LICENSEE enters with a third party that is not an Affiliate for the purpose of (i) granting certain rights; (ii) granting an option to certain rights; or (iii) forbearing the exercise of any rights, granted to LICENSEE under this Agreement. “Sublicensee” means a third party with whom LICENSEE enters into a Sublicense.

“Term” means the period of time beginning on the Effective Date and ending upon written notice of termination in accordance with Schedule I.D or expiration of the Copyrights, whichever is earlier.

“Territory” means the places where Copyright rights in Software exist and where this license may legally be granted.

### B. Payments

(a) All payments due UNIVERSITY shall be paid in United States dollars and all checks (should payment by wire not be possible) shall be made payable to “The Regents of the University of California”, referencing UNIVERSITY’s taxpayer identification number, 95-6006144, and sent to UNIVERSITY according to Schedule I.H(a) (Correspondence).

(b) Late Payments. In the event payments are not received by UNIVERSITY when due, LICENSEE shall pay to UNIVERSITY interest charges at a rate of ten percent (10%) per year or the maximum rate allowable by law, whichever is less. Such interest shall be calculated from the date payment was due until actually received by UNIVERSITY.

(c) Taxes. Taxes imposed by any governmental agency on any payments to be made to UNIVERSITY by LICENSEE hereunder shall be paid by LICENSEE without deduction from any payment due to UNIVERSITY hereunder.

### C. Export Control

LICENSEE shall adhere to all applicable United States and foreign laws with respect to the transfer of Software and related technical data to foreign countries, including, without limitation, the International Traffic in Arms Regulations and the Export Administration Regulations.

### D. Termination or Expiration of the Agreement

#### Termination by UNIVERSITY.

(a) In the event of a material breach of this Agreement by LICENSEE, the UNIVERSITY may give written notice of default (“Notice of Default”) to LICENSEE. If LICENSEE fails to cure the default within sixty (60) days of the Notice of Default, UNIVERSITY may terminate this Agreement and the license granted herein by a second written notice (“Notice of Termination”) to LICENSEE. If a Notice of Termination is sent to LICENSEE, this Agreement shall automatically terminate on the effective date of that notice. Termination shall not relieve LICENSEE of its obligation to pay any fees and payments owed at the time of termination and shall not impair any accrued right of UNIVERSITY.

(b) This Agreement shall automatically terminate without the obligation to provide sixty (60) days’ notice as set forth in Paragraph D(a) above, upon LICENSEE’s insolvency or the filing of a petition for relief under the United States Bankruptcy Code by or against the LICENSEE as a debtor or alleged debtor.

#### Termination by LICENSEE.

(a) LICENSEE shall have the right at any time and for any reason to terminate this Agreement upon a ninety (90) day written notice to UNIVERSITY. Said notice shall state LICENSEE’s reason for terminating this Agreement. Any such

termination shall not relieve LICENSEE of any obligation or liability accrued under this Agreement prior to termination or rescind any payment made to UNIVERSITY or action by LICENSEE prior to the time termination becomes effective. Termination shall not affect in any manner any rights of UNIVERSITY arising under this Agreement prior to termination.

### **Survival on Termination or Expiration.**

The rights and obligations under Paragraphs and Articles 4 (Reservation of Rights), 5 (Reports), 6 (Indemnification), 7 (No Warranty), and Schedules I.E (No Warranty/Limitation of Liability), I.G (Use of Names and Trademarks), I.H(b) (Confidentiality), and I.H(e) (Failure to Perform) shall survive the termination or expiration of this Agreement.

### **E. No Warranty/Limitation of Liability**

(a) UNIVERSITY 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, SUBLICENSEES, 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 UNIVERSITY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. ALSO, UNIVERSITY WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, SUBLICENSEES, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO COPYRIGHT OR PATENT RIGHTS TO THE EXTENT ASSIGNED, OR OTHERWISE LICENSED, BY UNIVERSITY'S AUTHORS TO THIRD PARTIES.

(b) Nothing in this Agreement shall be construed as:

- (i) a warranty or representation as to the validity, enforceability, or scope of Copyrights;
- (ii) a warranty or representation that anything made, used, sold or otherwise disposed of under any license granted in this Agreement is or shall be free from infringement of rights of third parties;
- (iii) conferring by implication, estoppel, or otherwise any license or rights under any patents or other rights of UNIVERSITY other than Copyright;
- (iv) an obligation to bring or prosecute actions or suits against third parties for copyright infringement;
- (v) an obligation to furnish any know-how not provided in Software; or
- (vi) an obligation to update Software, offer fixes, or provide support of any kind.

### **F. Insurance Notification**

(a) LICENSEE agrees to provide, and to cause each Sublicensee to provide, UNIVERSITY with evidence of such insurance described in Article 8 (Insurance) upon the execution of this Agreement (and thereafter from time to time as UNIVERSITY may request).

(b) UNIVERSITY shall notify LICENSEE in writing of any claim or suit brought against UNIVERSITY in respect of which UNIVERSITY intends to invoke the provisions of Article 6 (Indemnification). LICENSEE shall keep UNIVERSITY informed on a current basis of its defense of any claims under Article 6. LICENSEE will not settle any claim against UNIVERSITY without UNIVERSITY's written consent, where (a) such settlement would include any admission of liability or admission of wrong doing on the part of the indemnified party, (b) such settlement would impose any restriction on UNIVERSITY/indemnified party's conduct of any of its activities, or (c) such settlement would not include an unconditional release of UNIVERSITY/indemnified party from all liability for claims that are the subject matter of the settled claim.

### **G. Use of University Names and Trademarks**

(a) Except as provided herein, nothing contained in this Agreement confers any right to use in advertising, publicity, or other promotional activities any name, trade name, trademark, or other designation (including contraction, abbreviation or simulation of any of the foregoing) of UNIVERSITY by LICENSEE without prior written approval by UNIVERSITY.

### **H. Miscellaneous Provisions**

**(a) Correspondence.** Any notice or payment required to be given to either party under this Agreement shall be deemed to have been properly given and effective:

- (i) on the date of delivery if delivered in person,
- (ii) five (5) days after mailing if mailed by first-class or certified mail, postage paid, to the respective addresses given below, or to such other address as is designated by written notice given to the other party, or
- (iii) upon confirmation by recognized national overnight courier, or confirmed electronic mail, to the following addresses of the parties.

If sent to LICENSEE:

[Name and address of LICENSEE – please include specific information for separate locations for invoices and notices, if applicable]

Attention: \_\_\_\_\_

Phone:

Email:

If sent to UNIVERSITY by mail:

University of California, San Diego  
Technology Transfer Office  
9500 Gilman Drive, Mail Code 0910

La Jolla, CA 92093-0910  
Attention: Assistant Vice Chancellor

If sent to UNIVERSITY by overnight delivery:

University of California, San Diego  
Technology Transfer Office  
10300 North Torrey Pines Road  
Torrey Pines Center North, Third Floor  
La Jolla, CA 92037  
Attention: Assistant Vice Chancellor

**(b) Confidentiality.** “Confidential Information” shall mean confidential information relating to the Software and disclosed by UNIVERSITY to LICENSEE during the term of this Agreement, which if disclosed in writing shall be marked “Confidential”, or if first disclosed otherwise, shall within thirty (30) days of such disclosure be reduced to writing by UNIVERSITY and sent to LICENSEE.

(1) LICENSEE shall:

- (i) use the Confidential Information for the sole purpose of performance under the terms of this Agreement;
- (ii) safeguard Confidential Information against disclosure to others with the same degree of care as it exercises with its own data of a similar nature;
- (iii) not disclose Confidential Information to others (except to its employees, agents or consultants who are bound to LICENSEE by a like obligation of confidentiality) without the express written permission of UNIVERSITY, except that LICENSEE shall not be prevented from using or disclosing any of the Confidential Information that:

- (A) LICENSEE can demonstrate by written records was previously known to it;
- (B) is now, or becomes in the future, public knowledge other than through acts or omissions of LICENSEE;
- (C) is lawfully obtained by LICENSEE from sources independent of UNIVERSITY; or
- (D) is required to be disclosed by law or a court of competent jurisdiction.

(2) UNIVERSITY may disclose to the Authors, senior administrators employed by UNIVERSITY, and individual Regents, the terms and conditions of this Agreement upon their request. If such disclosure is made, UNIVERSITY shall request the individuals not disclose such terms and conditions to others.

(3) UNIVERSITY may acknowledge the existence of this Agreement and the extent of the grant in Article 2 to third parties, but UNIVERSITY shall not disclose the financial terms of this Agreement to third parties, except where UNIVERSITY determines that it is required by law to do so, such as under the California Public Records Act. LICENSEE hereby grants permission for UNIVERSITY (including UCSD) to include LICENSEE’s name and a link to LICENSEE’s website in UNIVERSITY’s and UCSD’s annual reports and on UNIVERSITY’s (including UCSD’s) websites that showcase technology transfer-related stories.

The confidentiality obligations of LICENSEE with respect to Confidential Information shall continue for a period ending five (5) years from the termination date of this Agreement.

**(c) Assignability.** This Agreement may be assigned by UNIVERSITY, but is personal to LICENSEE and assignable by LICENSEE only with the written consent of UNIVERSITY.

**(d) No Waiver.** No waiver by either party of any breach or default of any agreement set forth in this Agreement shall be deemed a waiver as to any subsequent and/or similar breach or default.

**(e) Failure to Perform.** In the event of a failure of performance due under this Agreement and if it becomes necessary for either party to undertake legal action against the other on account thereof, then the prevailing party shall be entitled to reasonable attorneys' fees in addition to costs and necessary disbursements.

**(f) Governing Laws.** This Agreement shall be interpreted and construed in accordance with the laws of the State of California, but the scope, validity and other issues related to the Copyright shall be governed by the applicable laws of the country for the Copyright rights at issue.

**(g) Force Majeure.** A party to this Agreement may be excused from any performance required herein if such performance is rendered impossible or unfeasible due to any catastrophe or other major event beyond its reasonable control, including, without limitation, war, riot, and insurrection; laws, proclamations, edicts, ordinances, or regulations; strikes, lockouts, or other serious labor disputes; and floods, fires, explosions, or other natural disasters. When such events have abated, the non-performing party's obligations herein shall resume.

**(h) Headings.** Headings are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

**(i) Amendments.** No amendment or modification of this Agreement shall be valid or binding on the parties unless made in writing and signed on behalf of each party.

**(j) Severability.** In the event that any of the provisions contained in this Agreement is held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provisions had never been contained in it.

**(k) Marking.** LICENSEE shall incorporate into the Software, LICENSEE Derivative Works, and all associated written materials the copyright notice specified below and in the correct form to comply with the U.S. Copyright Act and the Universal Copyright Convention:

Copyright © 201\_ The Regents of the University of California. All Rights Reserved.

LICENSEE will give authorship credit to Authors of Software on documentation and packaging materials associated with Software or LICENSEE Derivatives Works.

Exhibit A – Articles/Certificate of Incorporation

Exhibit B – Milestones



## Exhibit C – Equity Terms

3.1 (a) LICENSEE shall pay UNIVERSITY:

(ii) a license issue fee in the form of five percent (5%), which is equal to [REDACTED] shares (subject to appropriate adjustment for stock splits, stock combinations, dividends, recapitalizations and the like occurring on or after the Effective Date) of the LICENSEE's fully paid and nonassessable shares of common stock calculated on a fully diluted and as converted basis as set forth in the Articles/Certificate of Incorporation of the LICENSEE in the form on file with the Secretary of State of California/Delaware as of the Effective Date (the "Securities"), a copy of which is attached to this Agreement as Exhibit E. The Securities shall be issued and delivered to UNIVERSITY in the name of "Shellwater & Co.", a nominee of The Regents of the University of California within thirty (30) days of the Effective Date or thirty (30) days of the Securities issuance date, whichever is later. LICENSEE shall issue the Shares to UNIVERSITY pursuant to LICENSEE's Stock Issuance Agreement, attached hereto as Exhibit D.

(iii) The UNIVERSITY may direct LICENSEE to transfer an Author's portion of such shares to the Authors under the UNIVERSITY's Copyright or Patent Policy, as applicable for UCSD.

(iv) The acceptance of LICENSEE's stock in Paragraph 3.1(a) is subject to the final approval of the Office of the President of the University of California. In the event that such an approval is not granted, this Agreement shall remain in effect and LICENSEE and UCSD shall in good faith renegotiate for and agree to a substitution of similar value for consideration within thirty (30) days of receipt of written notice of non-approval by the UNIVERSITY.

Exhibit D – Stock Issuance Agreement

(substantially in the form of the attached sample or equivalent agreement to be supplied by LICENSEE)

Exhibit E – Articles of Incorporation