SAMPLE
NON-EXCLUSIVE LICENSE AGREEMENT FOR
[*TITLE*]*

This non-exclusive license agreement ("AGREEMENT") is effective on [***DATE***] ("Effective Date"), and is by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation, whose legal address is 1111 Franklin Street, 12th Floor, Oakland, California 94607-5200, acting through its Office of Technology Licensing, at the University of California, Berkeley, 2150 Shattuck Avenue, Suite 408, Berkeley, CA 94704-1362 ("REGENTS") and [***LICENSEE name***], a [***State of incorporation***] corporation having a principal place of business at [***LICENSEE address***] ("LICENSEE"). The parties agree as follows:

1. BACKGROUND

1.1 REGENTS has an assignment of the [***Title***] invented by [***Inventors' names***], employed by the University of California, Berkeley (the "INVENTION"), as described in REGENTS' Case No. [***BK-XXXX-XXX***] and to the patents and patent applications under REGENTS' PATENT RIGHTS as defined below, which are directed to the INVENTION.

1.2 REGENTS and LICENSEE wish to have the INVENTION commercialized and marketed as soon as possible so that the resulting products may be available for public use and benefit.

1.3 LICENSEE wishes to acquire a license under REGENTS' PATENT RIGHTS for the purpose of undertaking development and to manufacture, use, SELL, offer for SALE and import LICENSED PRODUCTS as defined below.

1.4 ***[IF APPLICABLE]*** *The development of the INVENTION was sponsored in part by various grants by U.S. Government agencies, and as a consequence, REGENTS elected to retain title to the INVENTION subject to the rights of the U.S. Government under 35 U.S.C. 200-212 and implementing regulations, including that REGENTS, in turn, has granted to the U.S. Government a non-exclusive, non-transferable irrevocable, paid-up license to practice or have practiced the INVENTION for or on behalf of the U.S. Government throughout the world. These U.S. Government grants are _____ Contract No. _____ and _____ Contract No. _____.*

1.5 ***[IF APPLICABLE]*** *LICENSEE entered into a [**Agreement type**] agreement and extension thereof with REGENTS effective [**Date**], terminating on [**Date**], for the purpose of evaluating the INVENTION and granting LICENSEE a right to negotiate an option or license in REGENTS' PATENT RIGHTS to the INVENTION, which [**Agreement type**] agreement covers LICENSEE's commitment to reimburse REGENTS' patent costs during the period of good-faith negotiation for a license.*

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* The license agreement will not be limited to the provisions of this Sample License Agreement, and may include other provisions as appropriate on a case by case basis, such as provisions required for inventions arising from Howard Hughes Medical Institute appointees, and the like.

2. DEFINITIONS

2.1 "AFFILIATE" means any entity which, directly or indirectly, CONTROLS LICENSEE, is CONTROLLED by LICENSEE, or is under common CONTROL with LICENSEE. "CONTROL" means (i) having the actual, present capacity to elect a majority of the directors, or the power to direct greater than fifty percent (50%) of the voting rights entitled to elect directors, of such entity; or (ii) in any country where the local law will not permit foreign equity participation of a majority, the ownership or control (directly or indirectly) of the maximum percentage of such outstanding stock or voting rights permitted by local law. For clarity, an entity will be deemed an AFFILIATE of LICENSEE solely for the term during which it satisfies the foregoing definition.

2.2 "CHANGE of CONTROL" means (i) a consolidation, acquisition or merger of the LICENSEE with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, acquisition, merger or reorganization in which the shares of capital stock of the LICENSEE immediately prior to such consolidation, acquisition, merger or reorganization continue to represent a majority of the voting power of the surviving entity immediately after such consolidation, acquisition, merger or reorganization; (ii) any transaction or series of related transactions to which the LICENSEE is a party in which in excess of 50% of the LICENSEE's voting power is transferred; or (iii) the sale or transfer of all or substantially all of the LICENSEE's assets, or the exclusive license of all or substantially all of the LICENSEE's intellectual property; provided that a CHANGE of CONTROL shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the LICENSEE or any successor, indebtedness of the LICENSEE is cancelled or converted, or a combination thereof.

2.3 "COMBINATION PRODUCT" means any product which is a LICENSED PRODUCT (as defined below) and contains other products or product components that are functional ("COMPONENT") and:

(a) such COMPONENT does not use or incorporate the INVENTION or REGENTS' PATENT RIGHTS (as defined below), and is not made, identified, discovered, developed, derived from or determined to have utility, in whole or in part, by the use or modification of any REGENTS PATENT RIGHTS or any technology or INVENTION covered thereby;

(b) such COMPONENT is not itself a LICENSED PRODUCT; and

(c) the sale, use or import of such COMPONENT by itself does not contribute to or induce the infringement of REGENTS' PATENT RIGHTS.

In the event that a COMBINATION PRODUCT is sold, the NET SALES from such SALE shall be calculated by multiplying the LICENSEE'S U.S. published list price for such COMBINATION PRODUCT by the fraction A/(A+B), where "A" is LICENSEE'S U.S. published list price for such LICENSED PRODUCT sold separately and "B" is the sum of LICENSEE'S U.S. published list prices of all other products, methods or services included in the COMBINATION PRODUCT, provided that in the event the fraction A/(A+B) is less than 50%, the NET SALES

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for purpose of calculating royalties due hereunder for such COMBINATION PRODUCT shall be calculated by multiplying the NET SALES for such COMBINATION PRODUCT by 50%. Subject to the foregoing, if no such published list price is available then "A" shall equal LICENSEE'S fully burdened cost of goods of the LICENSED PRODUCT and "B" shall equal the sum of LICENSEE'S fully burdened cost of goods of all other products included in the COMBINATION PRODUCT. Such fully burdened cost of goods shall be calculated in accordance with LICENSEE'S standard and documented accounting practices and in any event in accordance with U.S. Generally Accepted Accounting Practices ("U.S. GAAP"). Notwithstanding anything in this AGREEMENT, in no event shall the NET SALES for a COMBINATION PRODUCT be less than 50% of the NET SALES for the LICENSED PRODUCT.

2.4 "LICENSED FIELD OF USE" means _[***FIELD***]_____.

2.5 "LICENSED METHOD" means any process or method the use or practice of which, but for the license pursuant to this AGREEMENT, would infringe, or contribute to or induce the infringement of, any pending VALID CLAIM (were it to have issued) or issued VALID CLAIM under REGENTS' PATENT RIGHTS in that country in which the LICENSED METHOD is used or practiced..

2.6 "LICENSED PRODUCTS" means all kits, compositions of matter, articles of manufacture, materials, and products, the manufacture, use, SALE, offer for SALE, or import of which: a) would require the performance of the LICENSED METHOD; or b) but for the license granted pursuant to this AGREEMENT, would infringe, or contribute to or induce the infringement of a pending VALID CLAIM (were it to have issued) or issued VALID CLAIM. .

2.7 "LICENSED SERVICE" means a service provided using a LICENSED PRODUCT or LICENSED METHOD.

2.8 "LICENSED TERRITORY" means the United States of America, its territories and possessions, and any foreign countries where REGENTS' PATENT RIGHTS are licensed to LICENSEE under this AGREEMENT.

2.9 "NET SALES" means the total amount invoiced or otherwise charged (including fair market value of any non-cash consideration) by LICENSEE on the SALE, lease, provision, transfer, or other disposition of a LICENSED PRODUCT or LICENSED SERVICE, after deduction of the following in accordance with U.S. Generally Accepted Accounting Principles ("U.S. GAAP") to the extent separately itemized in the applicable invoice, and not otherwise reimbursed, and allowed:

(a) cash, trade or quantity discounts;
(b) sales, use, tariff, import/export duties or other excise taxes when included in gross sales, but not income taxes derived from such sales, and value added taxes, but only to the extent such value-added tax is not subject to a credit or deduction to a taxing authority;
(c) discounts actually granted, rebates, refunds, chargebacks actually allowed or granted;

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(d) freight and other transportation or handling expenses or charges (actually incurred), including insurance; and
(e) allowances or credits to customers because of rejections or returns.

If LICENSEE makes any SALES to any third party in a transaction in a given country that is not an arms'-length transaction, or a LICENSED PRODUCT or LICENSED SERVICE is SOLD, transferred or otherwise provided to a third party without charge or at a discount, then NET SALES means the gross amount normally charged in arm's length transactions in such country less the allowable deductions set forth above.

In the case of transfers between LICENSEE or its' respective AFFILIATES, (i) a SALE to an AFFILIATE for end use (but not resale) by the AFFILIATE will be treated as a SALE at list price, and (ii) a SALE to an AFFILIATE for resale by the AFFILIATE will not be treated as a SALE; provided that NET SALES shall include the amounts invoiced by such AFFILIATE to a third party upon resale.

2.10 "REGENTS' PATENT RIGHTS" means REGENTS' rights in (a) the patent and patent applications expressly identified in Appendix C and their foreign counterparts; (b) any patent applications claiming priority to those identified in subpart (a) above such as divisionals, continuations and continuation-in-part applications (but with respect to continuations-in-part solely to the extent of those claims that are both entirely supported by the specification and entitled to the priority date of any patent application or patent identified in subpart (a) above); and (c) any patents issuing from any patent application identified in subparts (a)-(b), including reissues, reexaminations, and substitutions, as well as any applicable patent extensions or term adjustments.

2.11 "SALE" means, for LICENSED PRODUCTS and LICENSED SERVICES, the act of selling, leasing or otherwise transferring, providing, or furnishing such product or service, and for LICENSED METHOD the act of performing such method, for any use or 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.

2.12 "VALID CLAIM" means (a) any claim of a pending patent application included within the REGENTS' PATENT RIGHTS that has not been abandoned or has not been finally rejected without the possibility of appeal or refiling, or (b) any claim on an issued and unexpired patent included within the REGENTS' PATENT RIGHTS which has not been revoked or held unenforceable or invalid by a final judgment of a court or other governmental agency of competent jurisdiction from which no appeal can be or is taken, and which has not been admitted to be invalid or unenforceable through reissue or disclaimer or otherwise.

3. GRANT

3.1 **License Grant.** Subject to the limitations set forth in this AGREEMENT, including the license granted to the U.S. Government and the rights reserved in Paragraph 3.2 (Reservation of Rights), REGENTS hereby grants and LICENSEE

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hereby accepts a non-exclusive, royalty-bearing license, with no right to sublicense, under REGENTS' PATENT RIGHTS to make, use, offer for SALE, import, and SELL LICENSED PRODUCTS and LICENSED SERVICES, and to practice LICENSED METHOD, in the LICENSED FIELD OF USE in the LICENSED TERRITORY.

3.2 **Reservation of Rights**. The REGENTS reserves on behalf of itself and any other educational or nonprofit institutions the right to make, use, and practice the INVENTION, the REGENTS' PATENT RIGHTS, and any technology created by the REGENTS relating to any of the foregoing for educational and research purposes, including publication and other communication of any research results.

3.3 **Entity Status**. LICENSEE will have a continuing responsibility to keep REGENTS informed of the large/small entity status, as defined in 15 U.S.C. §632, of itself.

4. LICENSE ISSUE FEE

4.1 **License Issue Fee**. LICENSEE will pay to REGENTS a non-creditable, non-refundable license issue fee of [***Written amount***] (**$** ***Number***) due upon signing of this AGREEMENT. This fee is non-refundable and not an advance against royalties or other payments due under this AGREEMENT.

5. ROYALTIES, LICENSE MAINTENANCE FEES, MINIMUM ANNUAL ROYALTIES

5.1 **Earned Royalty.** LICENSEE will pay to REGENTS earned royalties at the rate of [***Written percent***] (***Number*****%**) of the NET SALES of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHODS. Royalties will be payable on SALEs covered by both pending patent applications and issued patents. Royalties accruing to REGENTS will be paid to REGENTS quarterly within sixty (60) days after the end of each calendar quarter.

5.2 **License Maintenance Fee.** LICENSEE will pay to REGENTS an annual license maintenance fee of [***Written amount***] U.S. Dollars (**$*****Number***) on the one (1) year anniversary date of the Effective Date and on each anniversary of the Effective Date thereafter. Notwithstanding the foregoing, the license maintenance fee will not be due and payable on any anniversary of the Effective Date, if on such date the LICENSEE is selling LICENSED PRODUCTS or LICENSED METHODS, and LICENSEE pays an earned royalty to REGENTS.

5.3 **Minimum Annual Royalty.** Beginning in the calendar year after the first occurrence of SALEs, and in each succeeding calendar year thereafter, LICENSEE will pay to REGENTS a minimum annual royalty of [***Written amount***] U.S. Dollars (**$** ***Number***) for the life of this AGREEMENT. This minimum annual royalty will be paid to REGENTS by February 28 of each year and will be credited against the earned royalty due and owing for the calendar year in which the minimum payment is made.

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5.4 **Milestone Payments**. [***TBD***]

5.5 **Validity Challenge**. Should LICENSEE, itself or through a third party, bring an action seeking to invalidate any REGENTS' PATENT RIGHTS and notwithstanding the earned royalty rates listed above:

(a) LICENSEE will pay royalties to REGENTS at the rate of two times Y percent (2xY%) of the NET SALES of all LICENSED PRODUCTS SOLD during the pendency of such action. Moreover, should the outcome of such action determine that any claim of a patent challenged by LICENSEE is both valid and infringed by a LICENSED PRODUCT, LICENSEE will pay royalties at the rate of three times Y percent (3xY%) of the NET SALES of all LICENSED PRODUCTS SOLD, when Y is the royalty rate in Paragraph 5.1 (Earned Royalty),

(b) LICENSEE will have no right to recoup any royalties paid before or during the period challenge,

(c) any dispute regarding the validity of any REGENTS' PATENT RIGHTS will be litigated in the courts located in California, and the parties agree not to challenge personal jurisdiction in that forum; and,

(d) LICENSEE will provide written notice to REGENTS at least three months prior to bringing an action seeking to invalidate any REGENTS' PATENT RIGHTS. LICENSEE will include with such written notice an identification of all prior art it believes invalidates any claim of REGENTS' PATENT RIGHTS.

5.6 **Payments**. All payments due REGENTS will be payable in United States dollars by check payable to "REGENTS of the University of California" or by wire transfer to REGENTS at the addresses shown in Article 22 (Notices). When LICENSED PRODUCTS or LICENSED SERVICES are SOLD for monies other than United States dollars, earned royalties will first be determined in the foreign currency of the country in which the SALE was made and then converted into equivalent United States dollars. The exchange rate will be that rate quoted in the *Wall Street Journal* on the last business day of the reporting period. REGENTS may provide invoices upon request or as a courtesy, but failure to receive an invoice from REGENTS does not relieve or otherwise change LICENSEE'S obligation to make accurate and complete payments at the time such payments are due.

(a) **Taxes.** Earned royalties, and other consideration accrued in any country outside the United States may not be reduced by any taxes, fees or other charges imposed by the government of such country. LICENSEE will also be responsible for all bank transfer charges.

(b) **Late Payments.** If monies owed to REGENTS under this AGREEMENT are not received by REGENTS when due, LICENSEE will pay to REGENTS interest charges at a rate of ten percent (10%) per annum. Such interest will be calculated from the date payment was due until actually received by REGENTS. Such accrual of interest will be in addition to, and not in lieu of, enforcement of

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any other rights of REGENTS related to such late payment. Acceptance of any late payment will not constitute a waiver under Article 23 (Waiver) of this AGREEMENT.

(c) **Payments accrued prior to expiration**. If any patent or patent application, or any VALID CLAIM thereof, included within REGENTS' PATENT RIGHTS expires or is held invalid in a final decision by a court of competent jurisdiction and last resort and from which no appeal has been or can be taken, all obligations to pay royalties based on such patent, patent application or VALID CLAIM, or any claims patentably indistinct therefrom will cease as of the date of such expiration or final decision. LICENSEE will not, however, be relieved from paying any royalties that accrued before such expiration or decision or that are based on another VALID CLAIM not expired or involved in such decision.

6. DILIGENCE

6.1 **Development of LICENSED PRODUCTS and/or LICENSED SERVICES.** LICENSEE, upon execution of this AGREEMENT, will diligently proceed with the development, manufacture, and SALE of LICENSED PRODUCTS and/or LICENSED SERVICES, and will diligently market them in quantities sufficient to meet the market demand.

6.2 **Failure to Meet Development Milestones.**

(a) If LICENSEE fails to meet its' diligence obligations hereunder, then REGENTS has the right to terminate this Agreement. This right supersedes the rights granted by REGENTS in Paragraph 3.1 (License Grant); and

(b) To exercise the right to terminate this AGREEMENT for lack of diligence under Paragraph 6.1, REGENTS will give LICENSEE written notice of the deficiency. LICENSEE thereafter has sixty (60) days to cure the deficiency. If REGENTS has not received satisfactory tangible evidence that the deficiency has been cured by the end of the sixty (60) - day period, then REGENTS may, at its option, terminate the AGREEMENT by giving written notice to LICENSEE. These notices will be subject to Article 22 (Notices).

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7. PROGRESS AND ROYALTY REPORTS

7.1 **Progress Reports**. For the period beginning [***Date***], LICENSEE will submit to REGENTS a semi-annual progress report covering LICENSEE's activities related to the development and testing of all LICENSED PRODUCTS, LICENSED SERVICES and LICENSED METHODS and the obtaining of necessary governmental approvals, if any, for marketing in the United States. These progress reports will be made for all development activities until the first SALE occurs in the United States. Each progress report will be a sufficiently detailed summary of activities of LICENSEE so that REGENTS may evaluate and determine LICENSEE's progress in development of LICENSED PRODUCTS, LICENSED SERVICES, and LICENSED METHODS, and in meeting its diligence obligations under Article 6 (Diligence), and will include (but not be limited to) the following:

summary of work completed and in progress; current schedule of anticipated events and milestones; and anticipated market introduction dates for the LICENSED TERRITORIES. LICENSEE also will report to REGENTS in its immediately subsequent progress and royalty reports, the date of first SALE.

7.2 **Royalty Reports.** After the first SALE anywhere in the world, LICENSEE will make quarterly royalty reports to REGENTS within sixty (60) days after the quarters ending March 31, June 30, September 30, and December 31, of each year. If no SALEs have occurred during the report period, a statement to this effect is required in the royalty report for that period. Each such royalty report will be substantially similar to APPENDIX A and include at least the following:

(a) The number of LICENSED PRODUCTS manufactured and the number SOLD;
(b) Gross revenue from SALE of LICENSED PRODUCTS, LICENSED SERVICES and LICENSED METHODS;
(c) NET SALES pursuant to Paragraph 2.9; and
(d) Total royalties due REGENTS.

8. BOOKS AND RECORDS

8.1 **Accounting.** LICENSEE will keep accurate books and records showing all payments due REGENTS and all LICENSED PRODUCTS manufactured, used, offered for SALE imported, SOLD, and/or otherwise exploited under the terms of this AGREEMENT. Books and records may encompass data maintained on LICENSEE's accounting and enterprise resource planning systems including, but not limited to production and manufacturing data, general ledger data, and data showing territory of sale, customer name and location, invoice number and date, ship date, part number and/or description, quantity SOLD, gross SALES, deductions taken, and NET SALES. Books and records will be preserved for at least seven (7) years after the date of the payment to which they pertain.

8.2 **Auditing.** Books and records kept in accordance with Paragraph 8.1 will be open to inspection by representatives or agents of REGENTS at reasonable times to determine the completeness and accuracy of those payments and to assess the LICENSEE's compliance with terms of this AGREEMENT. As necessary and reasonable, LICENSEE will make its personnel available to interpret documents, understand accounting methodologies employed, and to run reports from LICENSEE's accounting and enterprise resource planning systems to permit REGENTS agents and representatives to verify the completeness and accuracy of LICENSEE's payments due REGENTS. The agents or representatives of REGENTS may retain one copy of books and records supporting their findings until the matters identified during the course of the inspection are resolved. Notwithstanding any other provision of this AGREEMENT or any confidentiality agreement between LICENSEE and agents or representatives of REGENTS, such agents and representatives are permitted to disclose their findings regarding the completeness and accuracy of LICENSEE's payments to REGENTS as well as the evidentiary basis therefore. REGENTS right to conduct an inspection will be preserved for one year following the later of the termination or expiration of this AGREEMENT or the LICENSEE's final report setting forth royalties due in

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connection with LICENSED PRODUCTS manufactured or in inventory at the expiration or termination of the AGREEMENT. The fees and expenses of representatives of REGENTS performing such an inspection will be borne by REGENTS. If, however, the payments made to REGENTS under this AGREEMENT by the LICENSEE are found after REGENTS initiate their inspection to be less than ninety-five percent (95%) of the total payments due to REGENTS under this AGREEMENT for any year, LICENSEE will bear the cost of the inspection. Should an overpayment by LICENSEE be discovered after REGENTS initiate their inspection, LICENSEE will be entitled to a credit equal to such excess payment, minus the expenses of such inspection, against the payment obligations next accruing under the AGREEMENT, provided such payments are due and payable.

8.3 **LICENSEE Audit**. LICENSEE will conduct an independent audit of SALEs and royalties at least every two (2) years if annual SALEs of LICENSED PRODUCT are over Five Million ($5,000,000) US Dollars. The audit will address, at a minimum, the amount of gross SALEs by or on behalf of LICENSEE during the audit period, the amount of funds owed to REGENTS under this AGREEMENT, and whether the amount owed has been paid to REGENTS and is reflected in the records of LICENSEE. LICENSEE will submit the auditor's report promptly to REGENTS upon completion. LICENSEE will pay for the entire cost of the audit.

9. LIFE OF THE AGREEMENT

9.1 **Term.** Unless otherwise terminated by the operation of law or by acts of the parties in accordance with the terms of this AGREEMENT, this AGREEMENT will be in force from the Effective Date and will remain in effect for the life of the last-to-expire patent or last-to-be-abandoned patent application licensed under this AGREEMENT, whichever is later. Any termination of this AGREEMENT will not relieve LICENSEE of its obligation to pay any monies due or owing at the time of such termination and will not relieve any obligations, of either party to the other party, established prior to termination or expiration.

9.2 **Survival.** Any termination or expiration of this AGREEMENT will not affect the rights and obligations set forth in the following articles:

Article 2	Definitions
Article 4	License Issue Fee
Paragraph 5.6	Payments
Article 8	Books and Records
Article 9	Life of the Agreement
Article 12	Disposition of Licensed Products and Licensed Services Upon Termination or Expiration
Article 15	Use of Names and Trademarks
Article 16	Limited Warranties
Article 18	Indemnification and Insurance
Article 22	Notices
Article 24	Confidentiality
Article 27	Applicable Law; Venue; Attorney's Fees.

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10. TERMINATION BY REGENTS

10.1 If LICENSEE should violate or fail to perform any term of this AGREEMENT, then REGENTS may give written notice of such default ("Notice of Default") to LICENSEE. If LICENSEE should fail to repair such default within sixty (60) days of the effective date of such notice, REGENTS will have the right to terminate this AGREEMENT and the licenses herein by a second written notice ("Notice of Termination") to LICENSEE. If a Notice of Termination is sent to LICENSEE, this AGREEMENT will automatically terminate on the effective date of such notice. Such termination will not relieve LICENSEE of its obligation to pay any royalty or license fees owing at the time of such termination and will not impair any accrued rights of REGENTS. These notices will be subject to Article 22 (Notices).

11. TERMINATION BY LICENSEE

11.1 LICENSEE will have the right at any time to terminate this AGREEMENT, in whole or as to any portion of REGENTS' PATENT RIGHTS, by giving notice in writing to REGENTS. Such notice of termination will be subject to Article 22 (Notices) and termination of this AGREEMENT will be effective ninety (90) days after the effective date of such notice.

11.2 Any termination pursuant to Paragraph 11.1 will not relieve LICENSEE of any obligation or liability accrued prior to such termination or rescind anything done by LICENSEE or any payments made to REGENTS prior to the time such termination becomes effective, and such termination will not affect in any manner any rights of REGENTS arising under this AGREEMENT prior to such termination.

12. DISPOSITION OF LICENSED PRODUCTS AND LICENSED SERVICES UPON TERMINATION OR EXPIRATION

12.1 Upon termination of this AGREEMENT, for a period of one hundred twenty (120) days after the date of termination LICENSEE may complete and SELL any partially made LICENSED PRODUCTS and continue to render any previously commenced LICENSED SERVICES, and continue the practice of LICENSED METHOD only to the extent necessary to do so; provided, however, that all such SALEs will be subject to the terms of this AGREEMENT including, but not limited to, the payment of royalties at the rate and at the time provided herein and the rendering of reports thereon.

12.2 Notwithstanding anything to the contrary in the AGREEMENT, to the extent the manufacture of a LICENSED PRODUCT occurs before the expiration of REGENTS' PATENT RIGHTS, the SALE of that LICENSED PRODUCT after the expiration date of the REGENTS' PATENT RIGHTS still constitutes a royalty-bearing SALE under Paragraph 5.1 (Earned Royalty) and all such SALEs will be subject to the terms of this AGREEMENT including, but not limited to, the

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payment of earned royalties at the rate and at the time provided herein and the rendering of reports thereon.

13. PATENT PROSECUTION AND MAINTENANCE

13.1 REGENTS will diligently prosecute and maintain the United States and foreign patent applications and patents under REGENTS' PATENT RIGHTS, subject to LICENSEE'S reimbursement REGENTS' out of pocket costs under Paragraph 13.3 below, and all patent applications and patents under REGENTS' PATENT RIGHTS will be held in the name of REGENTS. REGENTS will have sole responsibility for retaining and instructing patent counsel, but continued use of such counsel at any point in the patent prosecution process subsequent to initial filing of a U.S. patent application covering the INVENTION will be subject to the approval of LICENSEE. If LICENSEE rejects three of REGENTS' choice of prosecution counsel, then REGENTS may select new prosecution counsel without LICENSEE's consent. REGENTS will promptly provide LICENSEE with copies of all relevant documentation so that LICENSEE may be currently informed and apprised of the continuing prosecution and LICENSEE agrees to keep this documentation confidential in accordance with Article 24 (Confidentiality). LICENSEE may comment upon such documentation, provided, however, that if LICENSEE has not commented upon such documentation in reasonable time for REGENTS to sufficiently consider LICENSEE's comments prior to the deadline for filing a response with the relevant government patent office, REGENTS will be free to respond appropriately without consideration of LICENSEE's comments. LICENSEE and LICENSEE's patent counsel will have the right to consult with patent counsel chosen by REGENTS.

13.2 REGENTS will use reasonable efforts to prepare or amend any patent application to include claims reasonably requested by LICENSEE to protect the LICENSED PRODUCTS contemplated to be SOLD or to be practiced under this AGREEMENT.

13.3 Subject to Paragraph 13.4, LICENSEE will bear all out-of-pocket costs incurred by the REGENTS for preparing, filing, prosecuting, protecting and maintaining all United States and foreign patent applications, and patents under REGENTS' PATENT RIGHTS ("Patent Costs"). LICENSEE must reimburse to REGENTS Patent Costs incurred prior to the term of this AGREEMENT ("Past Patent Costs") within thirty (30) days of LICENSEE's receipt of an invoice from REGENTS. With respect to Patent Costs incurred during the term of this AGREEMENT ("Ongoing Patent Costs"), LICENSEE is required to pay in advance REGENTS' patent counsel's estimated costs for undertaking Patent Actions that occur during the term of this AGREEMENT before REGENTS authorizes its patent counsel to proceed ("Advanced Payment"). The absence of this Advanced Payment will be deemed to be an election by LICENSEE not to secure the patent rights associated with the specific phase of patent prosecution in such territory, and such patent application(s) and patent(s) will not be part of the REGENTS' PATENT RIGHTS and therefore not be subject to this AGREEMENT, and LICENSEE will have no further rights or license to them. At REGENTS' sole discretion, rather than requiring an Advanced Payment, REGENTS may: (1) bill LICENSEE for Ongoing Patent Costs after such

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amounts are incurred, in which case payment will be due to REGENTS within thirty (30) days of LICENSEE's receipt of an invoice from REGENTS, or (2) have Ongoing Patent Costs directly billed to LICENSEE by REGENTS' patent counsel. If REGENTS grants additional license(s), the costs of preparing, filing, prosecuting and maintaining such patent applications and patents will be divided equally among the licensed parties from the effective date of each subsequently granted license agreement.

13.4 LICENSEE's obligation to underwrite and to pay all domestic and foreign patent filing, prosecution, and maintenance costs will continue for so long as this AGREEMENT remains in effect, provided, however, that LICENSEE may terminate its obligations with respect to any given patent application or patent in any or all designated countries upon ninety (90) days written notice to REGENTS. REGENTS will use its best efforts to curtail Patent Costs when such a notice is received from LICENSEE. REGENTS may continue prosecution and/or maintenance of such applications or patents at its sole discretion and expense; provided, however, that LICENSEE will have no further right or licenses thereunder.

14. MARKING

14.1 Prior to the issuance of patents under REGENTS' PATENT RIGHTS, LICENSEE agrees to mark LICENSED PRODUCT(S) (or their containers or labels) made, SOLD, licensed or otherwise disposed of by it in the United States under the license granted in this AGREEMENT with the words "Patent Pending," and following the issuance in the United States of one or more patents under REGENTS' PATENT RIGHTS, with the numbers of REGENTS' PATENT RIGHTS. All LICENSED PRODUCTS shipped to, manufactured, or SOLD in other countries will be marked in such manner as to conform with the patent laws and practice of such countries.

15. USE OF NAMES AND TRADEMARKS

15.1 Nothing contained in this AGREEMENT will be construed as conferring any right to use in advertising, publicity or other promotional activities any name, trademark, trade name, or other designation of either party hereto by the other (including any contraction, abbreviation, or simulation of any of the foregoing), except that REGENTS may publicly identify LICENSEE's name and contact information as an entity whom REGENTS has an agreement with that involves the commercialization of technology developed at REGENTS. Unless required by law or consented to in writing by REGENTS, the use by LICENSEE of the name "REGENTS of the University of California" or the name of any University of California campus in advertising, publicity or other promotional activities is expressly prohibited.

16. LIMITED WARRANTIES

16.1 This license and the associated INVENTION are provided WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR

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PURPOSE OR ANY OTHER WARRANTY, EXPRESSED OR IMPLIED. REGENTS MAKES NO REPRESENTATION OR WARRANTY THAT THE INVENTION, REGENTS' PATENT RIGHTS, LICENSED PRODUCTS, LICENSED SERVICES OR LICENSED METHOD WILL NOT INFRINGE ANY PATENT OR OTHER PROPRIETARY RIGHT.

16.2 REGENTS 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 (INCLUDNG TORT, CONTRACT, NEGLIGENCE, STRICT LIABILITY, AND BREACH OF WARRANTY) EVEN IF REGENTS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. REGENTS WILL NOT BE LIABLE FOR ANY DIRECT DAMAGES SUFFERED BY LICENSEE, JOINT VENTURES, OR AFFILIATES ARISING OUT OF OR RELATED TO PATENT RIGHTS TO THE EXTENT ASSIGNED OR LICENSED BY REGENTS' INVENTORS TO THIRD PARTIES.

16.3 Nothing in this AGREEMENT is or will be construed as:

(a) a warranty or representation by REGENTS as to the validity, enforceability or scope of any REGENTS' PATENT RIGHTS; or

(b) a warranty or representation that anything made, used, or SOLD under any license granted in this AGREEMENT is or will be free from infringement of patents of third parties; or

(c) an obligation to bring or prosecute actions or suits against third parties for patent infringement, except as provided in Article 17 (Patent Infringement); or

(d) conferring by implication, estoppel, or otherwise any license or rights under any patents of REGENTS other than REGENTS' PATENT RIGHTS as defined herein; or

(e) an obligation to furnish any know-how not provided in the patents and patent applications under REGENTS' PATENT RIGHTS.

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17. PATENT INFRINGEMENT

17.1 If either party learns of infringement of potential commercial significance of any of the REGENTS' PATENT RIGHTS, it will provide the other with (i) written notice of such infringement and (ii) any evidence of such infringement available to it (the "Infringement Notice").

18. INDEMNIFICATION AND INSURANCE

18.1 **Indemnification.** LICENSEE will indemnify, hold harmless, and defend REGENTS and its officers, employees, and agents; sponsor(s) of the research that led to the INVENTION; and the inventors of any patents and patent applications

under REGENTS' PATENT RIGHTS and their employers against any and all claims, suits, losses, damages, costs, fees, and expenses resulting from or arising out of exercise of this AGREEMENT. This indemnification will include, but not be limited to, any product liability.

18.2 **Insurance.** LICENSEE, at its sole cost and expense, will insure its activities in connection with any work performed hereunder and will obtain, keep in force, and maintain the following insurance:

(a) Commercial Form General Liability Insurance (contractual liability included) with limits as follows:

Each Occurrence .....$*[TBD]*
Products/Completed Operations Aggregate….$*[TBD]*
Personal and Advertising Injury ..... $*[TBD]*
General Aggregate .....$*[TBD]*

If the above insurance is written on a claims-made form, it will continue for three (3) years following termination or expiration of this AGREEMENT. The insurance must have a retroactive date of placement prior to or coinciding with the Effective Date of this AGREEMENT; and

(b) Worker's Compensation as legally required in the jurisdiction in which LICENSEE is doing business.

18.3 **Certificates.** The coverage and limits referred to in Subparagraphs 18.2(a) and 18.2(b) above will not in any way limit the liability of LICENSEE under this Article. Upon the execution of this AGREEMENT, LICENSEE will furnish REGENTS with certificates of insurance evidencing compliance with all requirements. Such certificates will:

(a) provide for thirty (30) days' (ten (10) days for non-payment of premium) advance written notice to REGENTS of any cancellation of insurance coverages and LICENSEE will promptly notify REGENTS of any material modification of the insurance coverages; and

(b) indicate that REGENTS has been endorsed as an additional insured under the coverage described above in Paragraph 18.2; and

(c) include a provision that the coverage will be primary and will not participate with, nor will be excess over, any valid and collectable insurance or program of self-insurance maintained by REGENTS.

18.4 **Notifications.** REGENTS will promptly notify LICENSEE in writing of any claim or suit brought against REGENTS for which REGENTS intends to invoke the provisions of this Article 18. LICENSEE will keep REGENTS informed of its defense of any claims pursuant to this Article 18.

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19. COMPLIANCE WITH LAWS

19.1 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, LICENSED SERVICES, or practice of the LICENSED METHOD. LICENSEE understands that REGENTS is subject to United States laws and regulations (including the Arms Export Control Act, as amended, and the Export Administration Act of 1979), controlling the export of technical data, computer software, laboratory prototypes and other commodities, and REGENTS' obligations under this AGREEMENT are contingent on compliance with such laws and regulations. The transfer of certain technical data and commodities may require a license from the cognizant agency of the United States Government and/or written assurances by LICENSEE that LICENSEE will not export such technical data and/or commodities to certain foreign countries without prior approval of such agency. REGENTS neither represents that a license will not be required nor that, if required, it will be issued.

20. GOVERNMENT APPROVAL OR REGISTRATION

20.1 If this AGREEMENT or any associated transaction is required by the law of any nation to be either approved or registered with any governmental agency, LICENSEE will assume all legal obligations to do so. LICENSEE will notify REGENTS if it becomes aware that this AGREEMENT is subject to a United States or foreign government reporting or approval requirement. LICENSEE will make all necessary filings and pay all costs including fees, penalties, and all other out-of-pocket costs associated with such reporting or approval process.

21. ASSIGNMENT/CHANGE OF CONTROL

21.1 This AGREEMENT is binding upon, and will inure to the benefit of, REGENTS, its successors and assigns. LICENSEE may assign or transfer this AGREEMENT only with the prior written consent of REGENTS. The prior written consent of REGENTS will not be required if the assignment or transfer of this AGREEMENT is in conjunction with a bona fide arms' length transaction involving a CHANGE of CONTROL, so long as LICENSEE is in good standing with its obligations under this AGREEMENT and REGENT is legally, contractually, and, per its policies, able to enter into an agreement with such assignee. In any assignment or transfer of this AGREEMENT or CHANGE of CONTROL, the conditions (a)-(c) below must be timely met:

(a) provide REGENTS written notice identifying the proposed acquirer's or successor entity's name and contact information prior to any such assignment or transfer;

(b) provide REGENTS with a written agreement signed by the proposed acquirer or successor entity agreeing to be bound by all of the provisions of this AGREEMENT, as well as assume all responsibilities and liabilities that arose under this AGREEMENT prior to the effective date of the proposed assignment, as if such acquirer or successor entity were the

for reference only

original LICENSEE within thirty (30) days after any such assignment or transfer; and

(c) pay to REGENTS an assignment/change of control fee of [***Written amount***] ($***Number***) ("ASSIGNMENT/CHANGE of CONTROL FEE") within thirty (30) days after any such assignment or transfer.

22.2 For avoidance of doubt, the requirements (a) – (c) above are triggered when the LICENSEE is acquired but remains a subsidiary such that no assignment occurs. Any attempted assignment or transfer by LICENSEE other than in accordance with this Article will be null and void.

22. NOTICES

22.1 All notices under this AGREEMENT will be deemed to have been fully given and effective when done in writing and delivered in person, or mailed by registered or certified U.S. mail, or deposited with a carrier service requiring signature by recipient, and addressed as follows:

For the LICENSEE: **See APPENDIX B**

For the REGENTS: **Office of Technology Licensing**
2150 Shattuck Avenue, Suite 408
Berkeley, CA 94704-1362
Attn.: Director (UC Case No.: *BK-XXXX-XXX*)

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

Remittance address for royalty and fee payments, as well as legal reimbursements associated with this license AGREEMENT are to be sent to (**Please reference the UC Berkeley Invoice Number, UC Berkeley Case Number or UC Berkeley AGREEMENT Control Number with your payment**):

University of California
Innovation Transfer and Entrepreneurship
Attn: ITE Accounting Services
1111 Franklin Street, 11th Floor
Oakland, CA 94607

All Advanced Payments due under this AGREEMENT must be sent via wire transfer as follows. In order to ensure that funds are properly credited to your account, **please reference the UC Berkeley Agreement Control Number on all wire transfers.**

Wire:
Bank of America
100 West 33rd Street,
New York, New York, 10001
Account: OTT Depository Account No. 1233717062
Beneficiary Name: Regents of the University of California

for reference only

Domestic Wire ABA: 026009593 (within U.S. only)
Foreign Wire Swift: BOFAUS3N

ACH:
Bank of America CA4-704-05-41
2000 Clayton Rd.,
Concord, CA 94520
Account: OTT Depository Account No. 1233717062
Beneficiary Name: Regents of the University of California
ACH/EFT Routing No.: 121000358

22.2 **LICENSEE Contact Information:** LICENSEE must provide to the REGENTS the completed LICENSEE contact information form attached hereto as APPENDIX B concurrent to execution of this AGREEMENT and incorporated herein by this reference, showing the contacts responsible for (i) Patent Prosecution, (ii) Progress Reports, (iii) Royalty Reports, and (iv) Invoices.

23. WAIVER

23.1 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this AGREEMENT will not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party. None of the terms and conditions of this AGREEMENT can be waived except by the written consent of the party waiving compliance.

24. CONFIDENTIALITY

24.1 LICENSEE and the REGENTS will hold the other party's proprietary business information ("Proprietary Information") in confidence, using at least the same degree of care as the receiving party uses to protect its own proprietary information of a similar nature. Proprietary Information will be protected from the date of disclosure until five (5) years after the termination or expiration of this AGREEMENT. [***INCLUDE THIS IF THERE IS AN EXECUTED SECRECY AGREEMENT:*** *This confidentiality obligation will apply to the information defined as "Data" under the Secrecy Agreement and such Data will be treated as Proprietary Information hereunder.]*

24.2 LICENSEE and the REGENTS may disclose Proprietary Information to their employees, agents, provided that such parties are bound by a like duty of confidentiality as set forth in this Article 24 (Confidentiality). In addition, if a third party inquires whether a license to REGENTS' PATENT RIGHTS is available, the REGENTS may disclose to the third party the existence of this AGREEMENT and the extent of the grant in Paragraph 3.1 (License Grant) and related definitions, but will not disclose the name of the LICENSEE unless that information is already public.

for reference only

24.3 All written Proprietary Information will be marked confidential or proprietary. If the Proprietary Information is orally disclosed, then it will be reduced to writing, marked as confidential by the disclosing party and delivered to the receiving party within thirty (30) days after the oral disclosure.

24.4 Nothing contained herein will in any way restrict the right of the LICENSEE or the REGENTS to use or disclose any Proprietary Information that the recipient can demonstrate by written records:

(a) was previously known to it prior to its disclosure by the disclosing party;
(b) is public knowledge other than through acts or omissions of recipient;
(c) was lawfully obtained without restrictions on the recipient from sources independent of the disclosing party; or
(d) was independently developed by recipient.

24.5 Nothing in this AGREEMENT will restrict either party from producing Proprietary Information that is required to be disclosed: (i) in litigation or by a governmental entity or agency, or (ii) by law (including the California Public Records Act or similar applicable law), provided that the recipient uses reasonable efforts to give the party that disclosed the Proprietary Information sufficient notice to allow it a reasonable opportunity to object. To the extent feasible, the party with the obligation to disclose under subparagraph (i) in the previous sentence will make reasonable efforts to make such disclosure subject to confidentiality obligations at least as protective as the terms set forth in this Paragraph.

24.6 Upon termination or expiration of this AGREEMENT, the LICENSEE and the REGENTS, upon request, will destroy or return any of the disclosing party's Proprietary Information in its possession within fifteen (15) days following the termination or expiration of this AGREEMENT and provide written confirmation of such to the other party. Each party may, however, retain one copy of such Proprietary Information for archival purposes in non-working files.

25. FORCE MAJEURE

25.1 Except for LICENSEE's obligation to make any payments to REGENTS hereunder, the parties to this AGREEMENT are excused from any performance required hereunder if such performance is rendered impossible or unfeasible due to any catastrophes or other major events beyond their 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, pandemics, or other natural disasters. When such events have abated, the parties' respective obligations hereunder will resume.

26. SEVERABILITY

26.1 The provisions of this AGREEMENT are severable, and in the event that any provision of this AGREEMENT will be determined to be invalid or unenforceable under any controlling body of law, such invalidity or enforceability will not in any way affect the validity or enforceability of the remaining provisions hereof.

for reference only

27. APPLICABLE LAW; VENUE; ATTORNEYS' FEES

27.1 THIS AGREEMENT WILL BE CONSTRUED, INTERPRETED, AND APPLIED 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 patent or patent application under REGENTS' PATENT RIGHTS will be determined by the applicable law of the country of such patent or patent application. Any legal action brought by the parties relating to this AGREEMENT will be conducted in San Francisco, California. The prevailing party in any legal action under this AGREEMENT will be entitled to recover its reasonable attorneys' fees in addition to its costs and necessary disbursements.

28. SCOPE OF AGREEMENT

28.1 This AGREEMENT (***except for the Agreements(s) dated _____), which will continue to the extent it is not inconsistent with this AGREEMENT***) incorporates the entire AGREEMENT between the parties with respect to the subject matter hereof, and this AGREEMENT may be altered or modified only by written amendment duly executed by the parties hereto.

29. ELECTRONIC COPY

29.1 The parties to this AGREEMENT 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.

30. BANKRUPTCY

30.1 In the event of a bankruptcy or insolvency, assignment of this AGREEMENT is only permitted to a party that can provide adequate assurance of future performance, including diligent development and SALES of LICENSED PRODUCT.

[signature page follows]

for reference only

IN WITNESS WHEREOF, the parties hereto have executed this AGREEMENT in duplicate originals by their duly authorized officers or representatives.

REGENTS OF THE UNIVERSITY OF CALIFORNIA	[***LICENSEE NAME***]
By_____	By_____
Title _____	Title_____
Date_____	Date_____

for reference only

APPENDIX A

UNIVERSITY OF CALIFORNIA AT BERKELEY
OFFICE OF TECHNOLOGY LICENSING

1111 FRANKLIN STREET, 11TH FLOOR
OAKLAND, CA 94607-5200

DATE

Company Name
Address

Reference: Agreement between The Regents of the University of California and Company Name
UC Control No. [Case No.] [Licensing Officer], Effective Date
Agreement Reference Paragraph:

ROYALTY REPORT REQUEST FOR
THE PERIOD [DATES: From - To]

REPORT AND PAYMENT DUE DATE:

Product NAME
Royalty:
Calculated Royalty This Period: $ _____

New Products
_____ $ _____

Total Royalties this Period: $ _____

Minimum Royalty Credit Available $
Show Minimum Royalty Credit To Apply -$ _____
Show Any Credit To Apply (other than Minimum Royalty) -$ _____

Total Royalty Amount Due: $ _____

Have you removed or added products this period? If applicable, provide the commercial name and approval date of any FDA-approved product utilizing the invention that became commercially available during this period.

Product _____ Removed _____/_____/_____ Added _____/_____/_____

Commercial Name _____ FDA-Approved _____/_____/_____

Submitted By: _____

Date: _____ Title _____

PLEASE RETURN THIS COMPLETED FORM WITH A CHECK PAYABLE TO 'THE REGENTS OF THE UNIVERSITY OF CALIFORNIA [Agreement #]' AT THE ABOVE ADDRESS.
If you have questions please call (510) 587-6019, or send an e-mail to valerie.redmond@ucop.edu. Thank you for your prompt attention.

for reference only

APPENDIX B

Licensee Contact Information

LICENSEE NAME:	**UC CONTROL NO.:**
PATENT PROSECUTION CONTACT	
NAME:	TELEPHONE:
TITLE:	EMAIL:
ADDRESS:	
CITY, STATE, ZIP:	
COUNTRY:	
PROGRESS REPORT CONTACT	
NAME:	TELEPHONE:
TITLE:	EMAIL:
ADDRESS:	
CITY, STATE, ZIP:	
COUNTRY:	
ROYALTY REPORT CONTACT	
NAME:	TELEPHONE:
TITLE:	EMAIL:
ADDRESS:	
CITY, STATE, ZIP:	
COUNTRY:	
INVOICE CONTACT	
NAME:	TELEPHONE:
TITLE:	EMAIL:
ADDRESS:	
CITY, STATE, ZIP:	
COUNTRY:	

for reference only

APPENDIX C

REGENTS' PATENT RIGHTS

1) UC Berkeley Case No. [***Number***] ("[***INVENTION NAME***]")

U.S. Provisional Patent Application No. [***Number***] entitled, "[***INVENTION NAME***]", filed [***FILING DATE***] (UC Berkeley Case No. [***UC Berkeley CASE No.***]).

U.S. Patent Application No. [***Number***] entitled, "[***INVENTION NAME***]", filed [***FILING DATE***] (UC Berkeley Case No. [***UC Berkeley CASE No.***]).

U.S. Patent No. [***Number***] entitled, "[***INVENTION NAME***]", filed [***FILING DATE***] (UC Berkeley Case No. [***UC Berkeley CASE No.***]).

for reference only