

## Ready to Sign (RtS) Licensing Instructions

1. Complete the Participant Data Sheet (PDS) in its entirety, **including a signature** in the appropriate box on page 3. Any questions related to completing the PDS may be emailed to ip@sandia.gov.
  - a. The PDS may be filled out electronically, but must be printed out and signed, as electric signatures are not accepted. Failure to do so can result in the delay or denial of License issuance.
2. Print two copies of the RtS License. Carefully read through the entire License to ensure that you are in agreement with all of the terms and conditions contained therein\*. **Do not alter or write in any areas of the License, other than in the signatory area**, or the License will be deemed null and void.
3. Complete the signatory portions of both copies of the License (the information must be identical in both copies):
  - a. Licensee Name: Write or type in the name of the company entering into the License.
  - b. Name: Write or type in the name of the authorized representative of the company.
  - c. By: The authorized representative signs on this line.
  - d. Title: Write or type the capacity of the authorized representative who executed the License.
  - e. Date: Write or type the *complete* date that the License was signed.

|    |   |
|----|---|
| a. | LICENSEE NAME: <u>Your Company Name</u> |
| b. | Name: <u>Sally Sample</u>               |
| c. | By: <u>Sally Sample</u>                 |
| d. | Title: <u>President</u>                 |
| e. | Date: <u>January 1, 2020</u>            |

4. Send both copies of the RtS License, along with the completed PDS, to the address below. **Do NOT send any payment with these documents**, as Sandia will mail invoices later.

Sandia National Laboratories  
Attn: Licensing Administration  
Reference: Ready to Sign License  
P.O. Box 5800/Mailstop 0114  
Albuquerque, NM 87185  
Telephone: 505-844-0236  
Facsimile: 505-844-8011

5. **Until Sandia executes the License, no license to the patent(s) exists.** If Sandia Corporation approves the PDS and License, both original Licenses will be countersigned by Sandia. One License will be retained at Sandia and the second original License will be mailed to the Licensee for their records. An invoice for payment will be mailed with the License.
6. If Sandia does not approve the PDS and License, a notification letter will be sent to the applicant.

\*If you would like to negotiate the terms and conditions, Sandia is happy to discuss an alternative license and alternative terms and conditions. We note that Sandia's standard licensing process will be followed in this case, and the favorable pricing and other terms and conditions contained in the RtS Licenses are not guaranteed.

**ALL APPLICABLE SECTIONS MUST BE COMPLETED BEFORE SANDIA CAN PROCESS YOUR AGREEMENT.**

**Sandia National Laboratories**  
**Technology Partnerships Program Participant Data Sheet**

**NOTE: Left mouse click to check boxes electronically.**

|  |  |                                    |  |  |
|--|--|------------------------------------|--|--|
| <b>Sandia Internal Use:</b> Agreement Number _____   |  |                                    |  |  |
| <b>1.0</b> In Part 1, please provide <b>information</b> for our long-term records and communications with your company/agency.   |  |                                    |  |  |
| <b>1.1</b>   | Company/Agency Name:   |                                    |  |  |
|  | Address for Overnight Delivery:  |                                    |  |  |
|  | City:  | State:                             | Country:                                 |  |
|  | Zip/Postal Code:   | Area Code/Phone:                   | Area Code/FAX:                           |  |
| <b>1.2</b>   | Parent Company (if applicable):  |                                    |  |  |
| <b>2.0</b> In Part 2, please provide (if applicable) the pertinent information for the <b>division</b> in your company/agency with whom Sandia will be working. <b>If Part 2 is not completed, then Parts 3 through 12 will apply to the entity listed in Part 1.</b>                          |  |                                    |  |  |
|  | Division Name:   |                                    |  |  |
|  | Address for Overnight Delivery:  |                                    |  |  |
|  | City:  | State:                             | Country:                                 |  |
|  | Zip/Postal Code:   | Area Code/Phone:                   | Area Code/FAX:                           |  |
|  | Industry Classification: (select from dropdown list)   |                                    |  |  |
| <b>3.0</b> Please provide the company/division or agency name <b>as you want it to appear on the agreement:</b>  |  |                                    |  |  |
| _____  |  |                                    |  |  |
| <b>4.0</b> In Part 4 please provide specific points of contact within your company/agency.   |  |                                    |  |  |
| <b>4.1</b> Please provide the <b>technical point of contact</b> in your company/agency with whom our technical staff will be working.  |  |                                    |  |  |
| <input type="checkbox"/> Dr. <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. Name: _____   |  |                                    |  |  |
| Address for Overnight Delivery:  |  |                                    | Email:                                   |  |
| City:  | State:   | Country:                           |  |  |
| Zip/Postal Code:   | Area Code/Phone:   | Area Code/FAX:                     |  |  |
| <b>4.2</b> This agreement may involve the negotiation of <b>legal and/or business</b> terms and conditions between your company/agency and Sandia. Please provide the <b>point of contact</b> for questions of a non-technical nature, e.g. corporate/agency attorney, contracts manager, etc. |  |                                    |  |  |
| <input type="checkbox"/> Dr. <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. Name: _____   |  |                                    |  |  |
| Address for Overnight Delivery:  |  |                                    | Email:                                   |  |
| City:  | State:   | Country:                           |  |  |
| Zip/Postal Code:   | Area Code/Phone:   | Area Code/FAX:                     |  |  |
| <b>4.3</b> Please provide the contact information for the <b>individual who will be signing</b> the agreement with Sandia.   |  |                                    |  |  |
| <input type="checkbox"/> Dr. <input type="checkbox"/> Mr. <input type="checkbox"/> Ms. Name: _____   |  |                                    |  |  |
| Title: _____   |  |                                    |  |  |
| Address for Overnight Delivery:  |  |                                    | Email:                                   |  |
| City:  | State:   | Country:                           |  |  |
| Zip/Postal Code:   | Area Code/Phone:   | Area Code/FAX:                     |  |  |
| <b>4.4</b>   | Which party should we use as our <b>primary point of contact</b> ?   | <input type="checkbox"/> Technical | <input type="checkbox"/> Legal/ business | <input type="checkbox"/> Agreement Signatory |
|  | <b>NOTE:</b> This is the party who will receive the <b>final agreement for routing and signing and the initial invoice</b> , if applicable (enter <b>accounts payable contact</b> information in Part 12 on page 3). |                                    |  |  |

|  |  |  |   |                             |
|--|--|--|---|-----------------------------|
| <b>5.0</b> The company/division listed in Part 2 is <b>(5.1, 5.2, 5.4, and 5.5 must be answered)</b> ; answer 5.3 if applicable).<br>Disregard Part 5 if the entity listed in Part 2 is a government agency:   |  |  |   |                             |
| <b>5.1</b>   | <input type="checkbox"/> A U.S.-owned business   | <input type="checkbox"/> A non U.S.-owned business       |   |                             |
| <b>5.2</b>   | <input type="checkbox"/> A U.S.-controlled business  | <input type="checkbox"/> Controlled by a non U.S. entity |   |                             |
| <b>5.3</b>   | <input type="checkbox"/> A multi-national company (i.e., U.S.-owned with foreign research and/or manufacturing facilities)   |  |   |                             |
| <b>5.4</b>   | <b>State</b> of Incorporation (if incorporated in the U.S.):   |  | <b>Country</b> of Incorporation:  |                             |
| <b>5.5</b>   | Does the company/division have operations in the United States? YES <input type="checkbox"/> NO <input type="checkbox"/>   |  |   |                             |
| <b>6.0</b> Will the products, processes, or services for use or sale in the United States, that are the result of inventions or other intellectual property arising from the performance of the anticipated agreement, be substantially manufactured in the United States? YES <input type="checkbox"/> NO <input type="checkbox"/>                    |  |  |   |                             |
| <b>7.0</b> Are all employees at the company/division or agency listed in Parts 1 and 2 (or subcontractors to the company/division or agency), who will be receiving information and/or intellectual property from Sandia under this proposed agreement, <b>CITIZENS OF THE UNITED STATES?</b> YES <input type="checkbox"/> NO <input type="checkbox"/> |  |  |   |                             |
| <b>7.1</b>   | If 7.0. is NO, of what countries are the recipients a citizen (attach additional information sheets, if necessary, to list all applicable recipients/countries):                   | Name:  | Country:  | U.S. immigration status:    |
|  |  | Name:  | Country:  | U.S. immigration status:    |
|  |  | Name:  | Country:  | U.S. immigration status:    |
| <b>8.0</b> Are any employees of the company/division or agency listed in Parts 1 and 2, who are involved in negotiating this agreement, either current or former ("former" means within the last two years):   |  |  |   |                             |
| <b>8.1</b>   | Sandia employees?  | Current <input type="checkbox"/>                         | Former <input type="checkbox"/>   | <input type="checkbox"/> No |
| <b>8.2</b>   | Sandia consultants or contractors?   | Current <input type="checkbox"/>                         | Former <input type="checkbox"/>   | <input type="checkbox"/> No |
| <b>8.3</b>   | Lockheed Martin employees?   | Current <input type="checkbox"/>                         | Former <input type="checkbox"/>   | <input type="checkbox"/> No |
| <b>8.4</b>   | Department of Energy employees?  | Current <input type="checkbox"/>                         | Former <input type="checkbox"/>   | <input type="checkbox"/> No |
| Name the individual(s) and associations, if any, on an attachment.   |  |  |   |                             |
| <b>9.0</b> The company/division or agency listed in Part 2 is (check all that apply):  |  |  |   |                             |
| <b>9.1</b>   | <input type="checkbox"/> U.S.-owned business registered as a small business with the Central Contractor Registry, located at <a href="http://www.ccr.gov/">http://www.ccr.gov/</a> | <b>9.12</b>  | <input type="checkbox"/> U.S. institution of higher education (specify below) |                             |
| <b>9.2</b>   | <input type="checkbox"/> Large business (500 or more employees)  | <input type="checkbox"/>                                 | State-chartered institution   |                             |
| <b>9.3</b>   | <input type="checkbox"/> Non-profit organization or business under the U.S. Internal Revenue Code Sections 501 or 503  | <input type="checkbox"/>                                 | Private institution   |                             |
| <b>9.4</b>   | <input type="checkbox"/> Consortium or member of a consortium or partnership under the potential agreement   | <b>9.13</b>  | <input type="checkbox"/> Dept. of Energy national laboratory                  |                             |
| <b>9.5</b>   | <input type="checkbox"/> Formed as a joint venture   | <b>9.14</b>  | <input type="checkbox"/> Historically Black college or university             |                             |
| <b>9.6</b>   | <input type="checkbox"/> Trade association   | <b>9.15</b>  | <input type="checkbox"/> Certified 8A firm                                    |                             |
| <b>9.7</b>   | <input type="checkbox"/> Lockheed Martin company   | <b>9.16</b>  | <input type="checkbox"/> Disadvantaged business                               |                             |
| <b>9.8</b>   | <input type="checkbox"/> U.S. local government entity  | <b>9.17</b>  | <input type="checkbox"/> Woman-owned business                                 |                             |
| <b>9.9</b>   | <input type="checkbox"/> U.S. state government entity  | <b>9.18</b>  | <input type="checkbox"/> Minority-owned business                              |                             |
| <b>9.10</b>  | <input type="checkbox"/> U.S. Federal government agency  | <b>9.19</b>  | <input type="checkbox"/> Native American-owned business                       |                             |
| <b>9.11</b>  | <input type="checkbox"/> Contractor to a U.S. Federal government agency requesting access to Sandia intellectual property for use on behalf of the U.S. Government                 | <b>9.20</b>  | <input type="checkbox"/> Hispanic American-owned business                     |                             |
|  |  | <b>9.21</b>  | <input type="checkbox"/> African American-owned business                      |                             |
|  |  | <b>9.22</b>  | <input type="checkbox"/> Asian American-owned business                        |                             |
|  |  | <b>9.23</b>  | <input type="checkbox"/> Tribal government                                    |                             |
|  |  | <b>9.24</b>  | <input type="checkbox"/> Foreign company/government entity                    |                             |
|  |  | <b>9.25</b>  | <input type="checkbox"/> None of the above (Explain on separate sheet)        |                             |
| <b>If 9.4, 9.5, or 9.6 is checked</b> , is the signatory to this agreement authorized to bind all the members of the consortium, partnership, joint venture, or trade association to the terms and conditions in the proposed agreement? YES <input type="checkbox"/> NO <input type="checkbox"/>  |  |  |   |                             |
| <b>If 9.11 is checked</b> , fill in all fields below; <b>if 9.13 is checked</b> , fill in contract number & contract start/end dates:  |  |  |   |                             |
| U.S. Federal government agency:  |  | Federal contract number:                                 | Contract Start & End Dates:   |                             |
| Government Agency Contact Name:  |  | Area Code/Phone:   |   |                             |

|   |       |
|---|-------|
| <b>10.0</b> Is a U.S. government agency the source of any of the funds that will be paid to Sandia under this proposed agreement? YES <input type="checkbox"/> NO <input type="checkbox"/> <b>If Yes</b> , identify agency (e.g. DOE,NIH, etc.) |       |
| <b>11.0</b> Is either the company or division listed in Part 1.0 and Part 2.0 a debarred, suspended, or ineligible contractor as defined in the Federal Acquisition Regulation 9.4? YES <input type="checkbox"/> NO <input type="checkbox"/>    |       |
| <b>By submitting this form to Sandia, I attest that the information provided is correct as of this date and may be relied upon for purposes of entering into the proposed agreement.</b>  |       |
| Name:   |       |
| Title:  | Date: |

|   |                                  |  |
|---|----------------------------------|--|
| <b>If the proposed agreement will involve the <b>payment of funds</b> by your company/agency to Sandia, please complete Part 12 below.</b>  |                                  |  |
| <b>12.0</b> Please provide your company's/agency's <b>point of contact for accounts payable</b> . <b>NOTE:</b> Unless Sandia is instructed otherwise, the initial invoice (if applicable) will be included in the agreement execution package and will be sent via overnight delivery to the person identified in Part 4.4 (on page 1). Subsequent invoices (if any) will be mailed to the individual identified below. |                                  |  |
| <input type="checkbox"/> Mr. <input type="checkbox"/> Ms.   | Name:                            |  |
| Billing Address:  |                                  | Email:   |
| City:   | State:                           | Country:   |
| Zip/Postal Code:  | Area Code/Phone:                 | Area Code/FAX:   |
| <b>12.1</b> Payments will be made to Sandia as follows (indicate below):  |                                  |  |
| <input type="checkbox"/> Single payment-in-full   | <input type="checkbox"/> Monthly | <input type="checkbox"/> Quarterly <input type="checkbox"/> TBD (Explain)                  |
| <b>12.2</b> Does your company's/agency's purchase order number need to appear on Sandia's invoice/s?  |                                  | YES <input type="checkbox"/> NO <input type="checkbox"/><br><b>If Yes</b> , provide P.O.#: |

**PLEASE PROVIDE ANY SPECIAL BILLING INSTRUCTIONS:**

---



---



---



---



**NON-EXCLUSIVE PATENT LICENSE**  
**(Ready to Sign)**

No. \_\_\_\_\_

**SANDIA CORPORATION**  
**and**

**Company Name:** \_\_\_\_\_

This License is between Sandia Corporation (“Sandia”), manager and operator of Sandia National Laboratories for the United States Department of Energy (hereinafter “DOE”) under contract DE-AC04-94AL85000, a Delaware corporation whose principal place of business is located \_\_\_\_\_ in \_\_\_\_\_ Albuquerque, \_\_\_\_\_ New \_\_\_\_\_ Mexico, \_\_\_\_\_ and

\_\_\_\_\_ (“Licensee”), organized under the laws of the State of \_\_\_\_\_ having a principal place of business located at \_\_\_\_\_

**Background:**

- The National Competitiveness Technology Transfer Act; the Stevenson-Wydler Technology Innovation Act, as amended by the Federal Technology Transfer Act; Patent Act and other relevant legislation, as directed by Congress, ensure the full use of the results of the Nation’s Federal Investment in research and development. To this end the Federal Government has authorized Sandia to transfer federally originated technology to State and local governments and to the private sector through licensing.
- The United States Government is neither a party to nor assumes any liability or duties under this License.
- Sandia has acquired or is seeking the right by securing patents to exclude others from making, using, selling, offering to sell, and importing the inventions claimed in those patents.
- The United States Government has reserved a nonexclusive license in all Sandia patents and inventions for use by or on behalf of the United States Government.
- Through this License, Sandia will undertake to license intellectual property rights to Licensee under the U.S. Patent Act, international treaties, and/or international intellectual property and industrial rights acts, as applicable, for the actions expressly set forth in this License.
- Sandia does not take on any duties under this License other than the sole duty as a licensor to not sue authorized licensees for infringement of the licensed intellectual properties during the term of this License.

- Licensee accepts that the invention(s) of Sandia are not commercial products and further research, development and commercialization of the inventions for manufacturability, efficiency, user interface, and/or durability will be necessary by Licensee and Sandia undertakes no responsibility or obligation to assist Licensee in these efforts.
- Licensee desires to utilize Sandia patent rights in conducting research for design and development to bring the underlying Sandia invention(s) to practical application to create a commercial product or service.
- Licensee of Sandia's U.S. Patent No. 6,194,769 is hereby notified of the existence of U.S. Patent No. 5,571, 401 and U.S. Patent No. 6,010,616 for which Smiths Detection is the Assignee.

**IN CONSIDERATION OF THE AGREEMENT BETWEEN SANDIA AND LICENSEE,** and in consideration of the faithful performance of this License, it is hereby agreed as follows:

The terms in this License that are capitalized have the meanings set forth in Exhibit A of this License.

### **1. License Grant**

- 1.1. Subject to the terms and conditions of this License, Sandia hereby grants to Licensee a non-exclusive, fee and royalty bearing, nontransferable license to make, use, and sell LICENSED PRODUCT in the FIELD OF USE.
- 1.2. This License expressly excludes the right to sublicense and the right to have made.
- 1.3. No license is granted pursuant to this License with respect to any particular product of Licensee, unless 1) such product meets the definition of a LICENSED PRODUCT, 2) the LICENSED PRODUCT is identified in a report covering said product, and 3) the royalty and/or fees attributable to such product is paid by Licensee.
- 1.4. Express or implied rights and licenses outside the scope of this Article are expressly excluded.

### **2. Duties of the Parties**

- 2.1. Sandia does not undertake any duties or responsibilities under this License, other than those expressly set forth in Article 1 of this License. No technical assistance is available under this License.
- 2.2. Licensee shall affix appropriate statutory patent markings, in accordance with 35 U.S.C. 287, or other relevant statutes, to all LICENSED PRODUCTS and all packaging and containers of LICENSED PRODUCTS, identifying patent or other intellectual property protection of such products. Licensee shall modify such markings as Sandia may from time to time direct.
- 2.3. Licensee shall not, without the express written consent of Sandia, associate or in any way connect any name or trademark of Sandia or the GOVERNMENT, including "Sandia",

“Sandia Corporation”, “Sandia National Laboratories”, and the Sandia Thunderbird Logo, with any LICENSED PRODUCT or any service provided by Licensee or a third party. Licensee may, however, indicate that LICENSED PRODUCT is licensed under license granted by Sandia.

- 2.4. Licensee shall obtain and maintain product liability insurance sufficient to defend or support issues arising from sales of LICENSED PRODUCT.
- 2.5. Licensee shall not, without the express written consent of Sandia, make any verbal or written statements or perform any act indicating that Sandia endorses or approves, or has endorsed or approved, any LICENSED PRODUCT or any service provided by Licensee or a third party.
- 2.6. The existence of this License may be disclosed for business purposes by any PARTY, however, Licensee shall not disclose the financial terms and conditions of this License to any third party unless necessary to enforce the PARTY’s legal rights under this License.
- 2.7. Licensee will meet or exceed all of the performance milestones listed in Exhibit D of this License.

### **3. License Fees and Royalties**

- 3.1. In consideration of Sandia granting the license hereunder, Licensee agrees to pay Sandia the nonrefundable fees and royalties in the amounts set forth in Exhibit C of this License.

### **4. U.S. Competitiveness**

- 4.1. Licensee agrees that any resulting design and development using SANDIA PATENTS will be performed in U.S. and that resulting products will be substantially manufactured in the U.S.

### **5. Government Rights and Discounts**

- 5.1. The GOVERNMENT has been granted for itself and others acting on its behalf a paid-up, nonexclusive, nontransferable, irrevocable license to practice or have practiced SANDIA PATENTS throughout the world.
- 5.2. Licensee shall reduce the price of LICENSED PRODUCT for purchases by, or on behalf of, the GOVERNMENT utilizing GOVERNMENT funds, including funds derived through a Military Assistance Program of the GOVERNMENT or otherwise through the GOVERNMENT by an amount no less than the royalties that would normally be due Sandia for such sales if they were made to customers other than the GOVERNMENT or GOVERNMENT contractor. Licensee shall have no obligation to pay royalties to Sandia for such sales and Sandia shall have no obligation to keep any such royalties due to the GOVERNMENT.

### **6. Statements, Reports, and Payments**

- 6.1. For the purpose of computing royalties hereunder, LICENSED PRODUCT shall be considered conveyed by Licensee, and royalties earned with respect thereto, when billed or shipped, whichever occurs first, by Licensee.

- 6.2. Licensee shall deliver to Sandia every six (6) months a statement certified by an officer of Licensee reporting all conveyances, including those directly to the GOVERNMENT, by Licensee of LICENSED PRODUCT during the preceding semiannual accounting period. **Such statements are due on the 31<sup>st</sup> of January for the period from July 1<sup>st</sup> through December 31<sup>st</sup> and on July 31<sup>st</sup> for the period from January 1<sup>st</sup> through June 30<sup>th</sup>.** The statement shall give all information necessary for the determination of royalties payable hereunder. Licensee shall accompany each such statement with the payment of all fees and royalties due Sandia. If for any accounting period no fee or royalty payment shall be due, Licensee shall submit a written statement to Sandia to that effect. All statements and accompanying payments shall be delivered to Sandia at the address specified in Exhibit E of this License.
- 6.3. The DOE may require Sandia to report on the utilization or the effect of using LICENSED PRODUCT in the commercial marketplace. In this regard, Licensee agrees to reasonably cooperate with and assist Sandia in making all such reports.
- 6.4. Licensee shall maintain current and accurate accounting records in such manner and detail to accurately report revenue, units, and all bases utilized for the calculation of royalties and/or fees under this License and accurately report royalties and/or fees paid, payable, received and receivable.
  - 6.4.1. Licensee shall permit the audit and verification of royalty and fee payments due under this License. Licensee shall make such records available for inspection during ordinary business hours at Licensee's ordinary place of business to authorized representatives of Sandia, or at Sandia's discretion transmitted to Sandia's authorized representative's place of business. Licensee shall bear the cost of document transmission. Licensee shall retain such records for five (5) years after the last statement or report is due to Sandia.
  - 6.4.2. If any amounts due to Sandia are determined to have been underpaid, Licensee shall pay such underpaid amount together with accrued interest, within fifteen (15) days of notification by Sandia of the underpayment. If such underpayment is more than five (5) percent of the amount due during the period audited, Licensee shall also pay Sandia for all of the costs and expenses incurred because of such examination by Sandia and its auditors.
- 6.5. Any taxes, assessments or charges assessed or imposed by an entity or government, other than the GOVERNMENT or any state or local government in the United States of America, that Sandia or Licensee shall be required to pay with respect to fees or royalties under this License shall be borne by Licensee.
- 6.6. The rate of exchange to be used in calculating royalties payable by Licensee for an accounting period shall be the rate of exchange published by the Federal Reserve Board on the last business day of such accounting period.
- 6.7. Without excusing prompt payment, any and all payments left unpaid after becoming due as specified in this License shall bear interest at the bank prime loan rate as published by the Federal Reserve Board on the date the payment becomes due, plus three (3) percentage points.

## 7. Duration and Termination

- 7.1. The licenses granted to Licensee hereunder and the obligation to pay royalties and fees under this License shall continue as set forth in Exhibit C of this License or until the last to expire of the SANDIA PATENTS, unless earlier terminated as specified herein.
- 7.2. Sandia may terminate or reduce the licenses granted to Licensee under this License at its sole discretion if, at any time:
  - 7.2.1. Licensee fails to timely submit to Sandia any report, fee, royalty or other payment or reasonable cooperation due to Sandia, and such default is not cured within fifteen (15) days of Licensee's receipt of a written notice of such default;
  - 7.2.2. Licensee makes or made any false statements relating to Sandia in connection with the negotiation, execution, or performance of this License, including but not limited to Sandia's endorsement of Licensee or LICENSED PRODUCT, or discloses the terms or conditions of this License to any unauthorized third party and such default is not cured within thirty (30) days of Licensee's receipt of a written notice of such default;
  - 7.2.3. Licensee fails to maintain records that substantially allow Sandia to audit for royalties due to Sandia and such default is not cured within fifteen (15) days of Licensee's receipt of a written notice of such default;
  - 7.2.4. Licensee fails to permit Sandia to audit pursuant to Article 6 and such default is not cured within thirty (30) days of Licensee's receipt of a written notice of such default;
  - 7.2.5. Licensee commits any material breach of this License including, but not limited to, a breach of representation or warranty, and if such breach does not contain an express cure period and Licensee fails to remedy or cure the breach within thirty (30) days after Licensee's receipt of a written notice of such breach; or
  - 7.2.6. Licensee fails to achieve performance milestones as specified in Exhibit D and such default is not cured within thirty (30) days of Licensee's receipt of a written notice of such default.
- 7.3. Any such termination pursuant to Article 7.2 will become effective immediately after the cure period has expired, unless otherwise provided in writing and signed by Sandia.
- 7.4. Survival of Accrued Obligations. Termination of Licensee's license under this License for any reason shall not relieve Licensee of any obligation or liability accrued either before or after the termination, including the payment of any moneys due hereunder.
- 7.5. Survival of Terms. The obligations under Article 2, Article 6, Article 8, and Article 12 shall survive the expiration or earlier termination of this License.
- 7.6. This License shall terminate immediately upon Licensee filing any action, claim, counter-claim, protest, or petition seeking to invalidate SANDIA PATENTS or have SANDIA PATENTS held unenforceable, or void.

## **8. Warranty, Liability, and Indemnification**

- 8.1. Sandia makes no warranty, express or implied, as to the accuracy, validity, or utility of SANDIA PATENTS. Sandia further makes no warranty, express or implied, that the use of SANDIA PATENTS will not infringe any United States or foreign intellectual property. SANDIA PATENTS are made available to Licensee on an "AS-IS" basis.
- 8.2. Neither Sandia, joint intellectual property owners, if any, the GOVERNMENT, nor their agents, officers and employees shall be liable for any loss, damage (including, incidental, consequential and special), injury or other casualty of whatsoever kind, or by whomsoever caused, to the person or property of anyone, including Licensee, its affiliates, successors, and assigns, arising out of or resulting from the licenses granted to Licensee herein, or the accuracy and validity of SANDIA PATENTS.
- 8.3. Licensee agrees for itself, its affiliates, successors and assigns, to defend Sandia and to indemnify and hold Sandia, any joint intellectual property owners, and the GOVERNMENT harmless from and against all claims, demands, liabilities, suits or actions (including all reasonable expenses and attorney's fees incurred by or imposed on Sandia or the GOVERNMENT in connection therewith) for such loss, damage (including incidental, consequential and special), injury or other casualty.
- 8.4. NEITHER SANDIA, JOINT INTELLECTUAL PROPERTY OWNERS, IF ANY, THE GOVERNMENT, NOR ANY OF THEIR AGENTS, OFFICERS OR EMPLOYEES, MAKES ANY WARRANTY, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, EVEN IF SANDIA HAS BEEN INFORMED OF SUCH PURPOSE, OR ASSUMES ANY LEGAL LIABILITY OR RESPONSIBILITY FOR THE ACCURACY, COMPLETENESS, OR USEFULNESS OF ANY INFORMATION, APPARATUS, PRODUCT, OR PROCESS DISCLOSED, OR REPRESENTS THAT ITS USE WOULD NOT INFRINGE PRIVATELY OWNED RIGHTS.

## **9. General Provisions**

- 9.1. Sandia shall not have any obligation hereunder to institute any action or suit against third parties for infringement of any licensed intellectual properties or to defend any action or suit brought by a third party that challenges or concerns the validity of licensed intellectual properties. Unless Sandia, at its sole discretion, provides written authorization, Licensee shall have no right to institute any action or suit against third parties for infringement of any SANDIA PATENTS. Licensee shall promptly bring to Sandia's attention any information of which Licensee is aware relating to infringement of SANDIA PATENTS.
- 9.2. The waiver of a breach of this License, or the failure of either PARTY to exercise any right under this License, shall not constitute a waiver as to any other breach, whether similar or dissimilar in nature, or prevent the exercise of any right under this License.

## **10. Assignment**

- 10.1. Licensee shall not, without the prior written consent of Sandia, assign, delegate, or otherwise transfer any rights or duties under this License except to a successor to the entire portion of the business of Licensee pertaining to SANDIA PATENTS who shall be bound to the same extent as Licensee by all the terms and conditions of this License.
- 10.2. Sandia may assign, delegate, or otherwise transfer any rights or duties under this License to any assignee or transferee.

## **11. Export Control**

- 11.1. Licensee shall abide by the applicable export control laws and regulations of the United States Department of Commerce, the United States Department of State and other GOVERNMENT regulations relating to the export of technology relating to LICENSED PRODUCT. Failure to obtain an export control license or other authority from the GOVERNMENT may result in criminal liability under U.S. laws.

## **12. Controlling Law**

- 12.1. This License is made in Albuquerque, New Mexico, U.S.A., and shall be governed by and construed in accordance with the procedural and substantive laws of the State of Delaware except as these would require the application of the laws of another jurisdiction. The PARTIES agree to the exclusive jurisdiction of the courts of New Mexico or the United States District Court of New Mexico.
- 12.2. Any controversies or disputes arising out of or relating to this License that cannot be resolved by the PARTIES' authorized representatives shall be sent to a non-binding third party mediation.

## **13. Severability**

- 13.1. In the event that any one or more of the provisions contained in this License shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions of this License.

## **14. Entire Agreement**

- 14.1. The words "herein", "hereunder" and "hereby" refer to this License as a whole and not to any particular provision of this License.
- 14.2. Each PARTY warrants and represents that the execution and delivery of this License by Sandia and Licensee has not been induced by any promises, representations, warranties or other agreements, other than those specifically expressed herein. This License incorporates by reference Exhibits A, B, C, D, and E and embodies the entire understanding between Licensee and Sandia with respect to the subject matter described within this License. This License shall supersede all previous communications,

representations or undertakings, either verbal or written, between Licensee and Sandia with regard to Sandia Intellectual Properties.

- 14.3. This License shall not be binding upon the Parties until it has been signed by authorized representatives of both Parties. No modification of this License shall be valid or binding upon the PARTY against whom enforcement of the modification is sought, unless the modification is made in writing, refers to this License and is signed by duly authorized representatives of both Sandia and Licensee.

**IN CONSIDERATION OF THE FOREGOING TERMS AND CONDITIONS,** Licensee and Sandia have caused this License to be executed in duplicate by their duly authorized representatives. This License will be effective on the last day and year written below.

**SANDIA CORPORATION:**

By: \_\_\_\_\_

Peter Atherton

Title: Senior Manager, Industry Partnerships

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

**LICENSEE NAME:** \_\_\_\_\_

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

By: \_\_\_\_\_

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

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

## EXHIBIT A

### Definitions

1. "FIELD OF USE" means ALL
2. "GOVERNMENT" means the Government of the United States of America and agencies thereof.
3. "LICENSED PRODUCT" means any apparatus, method, or composition of matter designed, manufactured and sold by Licensee that if unlicensed would infringe one or more claims of SANDIA PATENTS.
4. "NET SALES" means the gross sales revenue of LICENSED PRODUCT sold, leased, distributed, or otherwise transferred in an arm's length commercial transaction calculated in accordance with generally accepted accounting practices as consistently applied by Licensee to products owned by Licensee and transferred in a similar manner, less deductions for expenses charged in accordance with generally accepted accounting practices, including, without limitation, applicable taxes, credits, returns, allowances, governmental charges, rebated discounts, or trade discounts.
5. "PARTY" means Sandia or Licensee or, collectively, as "PARTIES" to this License.
6. "SANDIA PATENTS" means the patents referenced and described in Exhibit B of this License, and any divisional, continuation, re-examination, or re-issue thereof.

## EXHIBIT B

### Sandia Patents

U.S. Patent No. 6,194,769, *Sensor Devices Based on Field-Structured Composites*, issued on February 27, 2001 (SD# 6429.0)

## EXHIBIT C

### **Nonrefundable Fees and Royalties**

License Issue Fee: Licensee shall pay to Sandia an upfront nonrefundable license fee of \$8,000.00 within 30 days of receiving Sandia invoice.

Annual Patent Use Fee: Licensee shall annually pay to Sandia the sum of \$1000.00, due on the anniversary date of the last signature to execute this License. This nonrefundable Annual Patent Use fee is to be paid in advance of the year to which it applies and goes into effect the Second (2<sup>nd</sup>) year of the License.

Running Royalties: Licensee shall pay to Sandia a royalty of Two and One Quarter Percent (2.25%) of NET SALES.

## **EXHIBIT D**

### **Performance Milestones**

Licensee will have a full year starting from the first reporting date (January 1<sup>st</sup> or July 1<sup>st</sup>) after the Effective Date to develop a Licensed Product with no minimum sales requirements. Starting in the second year, Licensee must maintain minimum annual sales of Licensed Product. At the completion of the second full year (24 months from the first reporting date), Licensee must be able to demonstrate annual Net Sales of Licensed Product of at least seventy five thousand dollars (\$75,000.00) for the preceding 12 months as shown by copies of invoices and documented in the semi-annual reports due on January 31<sup>st</sup> and July 31<sup>st</sup>.

**EXHIBIT E**

**Notices**

Any notice with respect to this License shall be deemed to be given on the date when sent by facsimile transmission with receipt of confirmation or when mailed by certified or registered mail, return receipt requested, addressed to the PARTY to be notified, at its address set forth below. All notices and payments made to Sandia shall include the License number and the invoice number.

1. Statements and Notices to Sandia:  
Sandia National Laboratories  
Attention: Licensing Agreements Administrator, Org. 7931  
Ref: License #0\_-\_\_\_\_\_, Invoice No. *(insert invoice no.)*  
P. O. Box 5800/Mailstop 0114  
Albuquerque, NM 87185-0114  
Telephone: 505-844-0236  
Facsimile: 505-844-8011
  
2. Payments to Sandia:
  - 2.1 To Send Payments via Standard Mail  
Sandia National Laboratories  
Ref: License #0\_-\_\_\_\_\_, Invoice No. *(insert invoice no.)*  
P.O. Box 5520  
Albuquerque, NM 87185-5520
  - 2.2 To Send Payments via Overnight Courier  
Sandia National Laboratories  
1515 Eubank SE  
Mail Stop 1387  
Albuquerque, NM 87123
  - 2.3 To Send Payment via ACH  
Sandia National Laboratories  
ABA No. 107002312  
Account No. 156402023089
  
3. Notices to Licensee:  
Company Name  
Attention:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_  
Email: \_\_\_\_\_