CWC 10/12/83

Good Example of Licensing Provisions

(I)

Article III. PAYMENTS TO LICENSOR:

A. In consideration of the rights granted by LICENSOR to LICENSEE hereunder, LICENSEE will pay to LICENSOR the sum of _____ Thousand Dollars (_____) in three equal installments of _____ Thousand Dollars (_____) each, the first such installment being due and payable promptly after the execution of this Agreement, the second such installment being due and payable on or before the expiration of the first full year following the execution of this Agreement, and the third and last such installment being due on or before the expiration of the second full year following the execution of this Agreement.

B. In further consideration of the rights granted by LICENSOR to LICENSEE hereunder, LICENSEE will pay to LICENSOR

(1) a royalty equal to ___ per cent (__%) of the Net Sales Price of all Licensed Products sold by LICENSEE.....

provided, however, that all payments made under Paragraph A of this Article shall constitute a credit to LICENSOR which shall be set-off against payments to be made to LICENSOR under this Paragraph B of this Article to the extent of fifty per cent (50%) of each such payment under this Paragraph B.

(II)

IV FURTHER PAYMENTS

1. Within thirty (30) days after Effective Date, LICENSEE shall pay LICENSOR a one time license fee in the amount of _____ thousand U.S. Dollars (U.S. $_____).

2. Within thirty (30) days after the filing in the United States by LICENSEE of an application for an IND (i.e. Notice of Claimed Investigational Exemption) for any Licensed Product, or one (1) year after the Effective Date, whichever is earlier, LICENSEE shall pay to LICENSOR the sum of _____ thousand U.S. Dollars (U.S. $_____).

3. Within thirty (30) days after the completion of phase II studies by LICENSOR in the United States on the Licensed Product for any indication or four (4) years after the Effective Date, whichever is earlier, LICENSOR shall pay to LICENSEE the sum of _____ thousand U.S. Dollars (U.S. $_____).

Payment timed by events in development

4. Within thirty (30) days after the first marketing of the Licensed Product in any of the following countries by LICENSOR; Brazil, France, Germany (West), Italy, Spain and United Kingdom, or five (5) years after the Effective Date, whichever is earlier, LICENSOR shall pay to LICENSEE the sum of _____ U.S. Dollars (U.S. $_____).

5. Within thirty (30) days after the filing by LICENSEE in the United States of a New Drug Application for any Licensed Product, or six (6) years after the Effective Date, whichever is earlier, LICENSEE shall pay to LICENSOR the sum of _____ U.S. Dollars (U.S. $_____).

6. Within thirty (30) days after the approval of LICENSEE'S Drug Application in the United States for the Marketing of a Licensed Product, LICENSEE shall pay LICENSOR the sum of _____ U.S. Dollars (U.S. $_____).

7. All payments made pursuant to Paragraphs 1-6 above shall be creditable against one half of earned royalties set forth in ARTICLE III above payable in each calendar quarter.

III

ARTICLE V. BEST EFFORTS:

LICENSEE shall use its best efforts to promote the sale of Licensed Products in the Territory. Should LICENSEE fail to reach at least a market share of five percent (5%) of the total market in any country of the Territory after a period of three (3) years from the introduction of Licensed Products in said country, LICENSOR shall be entitled to convert the exclusive license granted to LICENSEE pursuant to Article III in said country to a non-exclusive license. Said conversion shall become effective six (6) months after LICENSOR has notified LICENSEE in writing of its decision.

IV

7. (a) UNIVERSITY has determined that the exclusive license granted under this Agreement is necessary as an incentive for commercial development of a Product.

(b) In recognition of this, COMPANY agrees to use all reasonable efforts to effect introduction of a Product into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment.

To this end, COMPANY shall, as soon as practicable after it has been determined by COMPANY that a Product has commercial potential, design an evaluation and development protocol to support new drug application(s) as necessary for commercial use of the method. COMPANY shall, at its own expense, arrange for the preparation of all materials necessary for carrying out the protocols.

COMPANY shall provide UNIVERSITY with a written annual report regarding the development and commercial use that is being made or intended to be made of inventions covered by UNIVERSITY Inventions. Such reports shall include information regarding development, the date of first commercial sale, gross sales by COMPANY, and gross royalties paid to UNIVERSITY.

8. Neither this Agreement nor any part(s) thereof are to be construed as at variance with or in derogation of any statutory or contracted rights of the United States Government or any of its subdivisions, to all or part of the UNIVERSITY Patent Rights, and the parties hereto assert and declare that it is their mutual intent to recognize such prior rights.

9. Except as required by law, neither UNIVERSITY nor COMPANY shall originate any publicity, news release, or other public announcement, written or oral, whether to the public press, to stockholders, or otherwise, relating to this Agreement to any amendment hereto or to performance hereunder or the existence of an arrangement between the parties without the prior written approval of the other party.

V

ARTICLE VIII
NEW DRUG APPLICATION AND OTHER OBLIGATIONS

1. LICENSEE shall use all reasonable efforts to carry out the clinical trials and experimentations necessary for the purpose of obtaining governmental approvals. LICENSEE shall promptly prepare a clinical development plan (time and event) and submit it for

VIII 3.1(a) UNIVERSITY and INVESTIGATORS may, but are not obligated to, receive from COMPANY, COMPANY proprietary information. Such proprietary information shall be designated, in writing, as COMPANY's proprietary information at the time it is offered to the UNIVERSITY (COMPANY PROPRIETARY INFORMATION) and UNIVERSITY AND THE INVESTIGATORS shall have the option whether or not to accept the information so designated. If accepted, UNIVERSITY's only obligation with respect to COMPANY PROPRIETARY INFORMATION is set forth in the following 3.2(a). The obligations of any INVESTIGATOR who shall accept and receive COMPANY PROPRIETARY INFORMATION shall set forth in a separate Confidentiality Agreement to be entered into between the such INVESTIGATOR and COMPANY. Such Confidentiality Agreement shall not abridge UNIVERSITY's traditional rights to publish as set forth in the following 3.2(a).

b. COMPANY agrees to hold in confidence for a period of five (5) years from the date of disclosure to COMPANY all RESEARCH INFORMATION received from UNIVERSITY hereunder.

c. The obligations of UNIVERSITY and COMPANY with respect to COMPANY PROPRIETARY INFORMATION or RESEARCH INFORMATION, respectively, pursuant to 3.1 and 3.2 shall not apply to information that:

i. UNIVERSITY and COMPANY may at any time agree in writing to disclose;

ii. on the EFFECTIVE DATE of this Agreement shall be generally available to the public or thereafter shall become so available through no unauthorized act of the receiving party;

iii. shall not have been acquired by the receiving party, directly or indirectly, from the other party pursuant or incidentally to this Agreement; or

iv. shall have been acquired by the receiving party from any third person who is entitled to make such a disclosure and who has no obligation of confidentiality to the disclosing party.

Recognizing UNIVERSITY's desire to publish research results and COMPANY's desire to develope the technology for the earliest introduction to the public: UNIVERSITY agrees to use reasonable efforts not to disclose or transfer RESEARCH INFORMATION to other than COMPANY without the prior written approval of COMPANY except as provided for in paragraphs 3.2 (a) and (b), 4.1 and 4.6.

4. Periodic Reports of Research; Confidentiality.

University will furnish Company semiannually with a written report summarizing all research activity at the Laboratory not previously reported to Company, except to the extent prohibited by requirements of law. Subject to such requirements and obligations, University will furnish Company with such additional information concerning research at the Laboratory as Company may from time to time request. Company will treat as confidential all reports, information and materials furnished to Company, which University has designated as "Confidential" ("Technical Information"). Except to the extent permitted under a license agreement entered into pursuant

to Section 5 below, for the term of this Agreement and one year following termination, Company will not disclose or make available Technical Information to any third party and will use Technical Information only for the purpose of evaluating its interest in future research or possible commercial development of the results of research at the Laboratory.

University may, but is not obligated to, receive confidential information from Company. University will not disclose or make available confidential information received from Company to third parties without Company's written permission. University's obligations under this paragraph apply only to information which Company has designated in writing as "Confidential" and which is submitted by Company to University's Science and Technology Development Office.

The obligations of confidence under this Section 4 do not apply to any information which:

(a) was known to the party receiving the information prior to receipt thereof from the other party;

(b) was or becomes a matter of public information or publicly available through no act or failure to act on the part of the party receiving the information;

(c) is acquired by the party receiving the information from a third party entitled to disclose the information to it; or

(d) either party develops independently.

4.7 Nothing herein shall be construed to prevent UNIVERSITY from licensing any INVENTION, PATENT RIGHT, or RESEARCH INFORMATION to any other for manufacturing, using or selling of any method outside of the FIELD.

VII

4.5 UNIVERSITY and COMPANY recognize and hereby acknowledge that the Products will have been made in the course of research carried out under a grant or award which is governed by the GPR. UNIVERSITY and COMPANY affirm their intent to comply with applicable regulations relating to inventions developed under GPR and more specifically as follows:

(a) UNIVERSITY has determined that the exclusive license granted under this Agreement is necessary as an incentive for commercial development of the Products.

(b) In recognition of this, COMPANY agrees to use all reasonable efforts to effect introduction of the Products into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment. To this end, COMPANY shall as soon as practicable after it has been determined by COMPANY that a Product has commercial potential, design an evaluation and development protocol, including but not limited to clinical studies and a market evaluation, for such Product. COMPANY shall, at its own expense, arrange for the preparation of all materials necessary for carrying out the protocols.

(c) If COMPANY ceases to use reasonable efforts to introduce a Product after determining that it has commercial potential, or if UNIVERSITY notifies COMPANY that it has determined that a Product has commercial potential, and COMPANY declines to use reasonable efforts to introduce such Product, then all right granted to COMPANY hereunder with respect to such Product shall revert completely to UNIVERSITY four (4) months after written notice of same from UNIVERSITY to COMPANY and UNIVERSITY shall retain an irrevocable, world-wide, non-exclusive right and license, with the right to grant sublicenses, under COMPANY Inventions and related technology and know-how disclosed to UNIVERSITY pertaining to such Product reverted to UNIVERSITY. In such event, COMPANY will no longer be obligated to pay foreign patent costs under Part 2.3(b) hereof associated with such Product and UNIVERSITY shall be free to exploit such Product, including the licensing of third parties. In the event UNIVERSITY sublicenses a COMPANY Invention, and/or related technology or know-how, UNIVERSITY shall pay COMPANY one-half of royalty income received by UNIVERSITY under such sublicenses and attributable to a COMPANY invention and/or related technology or know/how, until COMPANY recovers its expenses in carrying out its portion of the Program, such expenses to be determined in accordance with established accounting prinicples. In the event UNIVERSITY sublicenses a COMPANY Invention covered by an issued patent owned by COMPANY, UNIVERSITY shall pay COMPANY one-half of royalty income received by UNIVERSITY under each such sublicense and attributable to such COMPANY issued patent for the life of such patent.

Part 5 - General Provisions

5.1 COMPANY shall provide UNIVERSITY with a written annual report on or before November 1 of each year covering the preceding year, ending September 30, regarding the development and/or commercial use that is being made or intended to be made of all inventions covered by UNIVERSITY Inventions and COMPANY Inventions. Such reports shall include information regarding development, the date of first commercial sale, gross sales by COMPANY, and gross royalties paid to UNIVERSITY.

approval of LICENSOR, which approval shall not be unreasonably refused, it being understood that the expenditure under such plan in the United States shall be at least $_____ out-of-pocket plus $_____ internal costs. No less than once every six (6) months, LICENSEE shall inform LICENSOR of the progress or results of any clinical trials and other experimentations by LICENSEE and/or its Affiliates carried out or being carried out for the purpose of obtaining approval of the necessary governmental authorities to market Licensed Product in the Territory.

2. LICENSEE and/or its Affiliates shall commence marketing Licensed Product in each country of the Territory promptly after receiving all necessary governmental approvals for such marketing and LICENSEE shall promptly notify LICENSOR in writing of the commencement of such marketing.

3. LICENSEE shall promptly advise LICENSOR if it and its Affiliates decide not to market Licensed Product hereunder; to discontinue, other than for reasons of force majeure, the marketing of Licensed Product in any country of the Territory; or to not resume the marketing of Licensed Product in any country of the Territory following expiration of any reason of force majeure. Such notice shall serve to terminate this Agreement as to that country of the Territory.

4. The parties shall promptly advise one another of any confirmed instances which come to their attention of severe or unexpected reactions from the use of Licensed Compound and/or Licensed Product.

VI

4.5 COMPANY shall use best efforts to develop PRODUCTS for commercial sales and distribution throughout the world, and to such end COMPANY, its AFFILIATES or its LICENSEES shall seek to achieve the following three (3) objectives within the designated years following the completion of SPONSORED RESEARCH in accordance with the following schedule:

a. within _____(___) years, to (i) initiate and diligently pursue clinical evaluation of a PRODUCT and in connection therewith to take all actions necessary under the Food, Drug and Cosmetic Act (21 USC 301-391), and (ii) to determine whether to manufacture such PRODUCT for commercial sale to inform UNIVERSITY of such determination;

b. within _____(___) year, (i) manufacture and distribute PRODUCT for market testing, and (ii) to introduce PRODUCT in the United States, Europe and Japan; and

c. within _____(___) years announce and market for general commercial sale a PRODUCT on a world-wide basis;

provided, however, that UNIVERSITY shall not unreasonably withhold its assent to any revision in such schedule whenever requested in writing by COMPANY and supported by evidence of technical difficulties or delays in the clinical studies or regulatory process that the parties could not reasonably have avoided. Failure to achieve the above objectives shall result in UNIVERSITY having the right to cancel any exclusive license granted hereunder or convert any exclusive license to a non-exclusive license.

4.6 At intervals no longer than every six (6) months, COMPANY shall report in writing to UNIVERSITY on progress made toward the said three (3) objectives.