

## COMMERCIAL EVALUATION LICENSE AGREEMENT

This Cover Page identifies the Parties to this Agreement:

The U.S. Department of Agriculture, as represented by the  
Agricultural Research Service,  
hereinafter referred to as USDA,

and

(Company Name),  
hereinafter referred to as the "COMPANY,"  
a (state) corporation having offices at (street address, city, and state).

1. Definitions:

- (a) “Government” means the government of the United States of America.
- (b) “Licensed Patent Rights” means PCT or U.S. patent application(s) (including provisional patent application(s)) or patents and all foreign counterparts as follows: U.S. Patent No. (X,XXX,XXX), entitled “(TITLE),” which issued on (date), or U.S. Patent Application Serial No. XX/XXX,XXX, entitled “(TITLE),” filed on (date), or U.S. Provisional Patent Application Serial No. XX/XXX,XXX, entitled “(TITLE),” filed on (date).
- (c) “Materials” means (description of the invention), including all progeny, subclones, or derivatives thereof.
- (d) “Licensed Products” means (description of the anticipated product) and Materials made by COMPANY within the scope of the Licensed Patent Rights.
- (e) “Licensed Field of Use” means (description of the field of use).
- (f) “Days” means calendar days.

2. COMPANY desires to obtain a license to evaluate the commercial applications of the Materials and the Licensed Products and any inventions claimed in the Licensed Patent Rights.

3. COMPANY intends to conduct laboratory experiments (and/or field trials) under this Agreement to evaluate the suitability for commercial development of inventions encompassed by the Licensed Patent Rights, Materials or Licensed Products in the Licensed Field of Use.

4. COMPANY represents that it has the facilities, personnel, and expertise to evaluate the commercial applications of the Materials and the Licensed Products and the inventions encompassed by the Licensed Patent Rights, and that it shall expend reasonable efforts and resources on research and development of potential commercial products using the Materials or the Licensed Products and the inventions encompassed by the Licensed Patent Rights.

5. USDA hereby grants to COMPANY a nonexclusive license for evaluation purposes only, within its research facilities (or through use of non-revenue producing field trials on COMPANY's fields or fields under COMPANY's control), to make and use *but not to sell* the Materials or the Licensed Products and products and processes encompassed within the scope of a claim in the Licensed Patent Rights. COMPANY agrees that any commercial or industrial use or sale of any such products or processes, including any formalized in-house screening programs, other than for evaluation purposes, shall be made only pursuant to the terms of a separate commercialization license to be negotiated in good faith by the parties. The rights provided herein are provided for the *evaluation of commercial applications only and not for commercial use or sale*.
6. USDA agrees, after receipt and verification of the license issue royalty, as required by Paragraph 9(a), to provide COMPANY with samples of the Materials, as available, and to replace the Materials, as available, and at reasonable cost, in the event of their unintentional destruction. USDA shall provide the Materials to COMPANY at COMPANY's expense and as specified in Appendix A.
7. COMPANY agrees to retain control over the Materials and the Licensed Products, and not to distribute them to third parties without the prior written consent of USDA.
8. This Agreement does not preclude USDA from distributing the Materials or Licensed Products to third parties for research or commercial purposes.
9. In consideration of the grant in Paragraph 5:
  - (a) COMPANY hereby agrees to pay USDA a license issue royalty of \_\_\_\_\_ Dollars (\$X,XXX.XX) and payment is due within thirty (30) days of the effective date of this Agreement.
  - (b) This license issue royalty shall be paid in U.S. dollars and payment instructions are listed in Appendix B. For conversion of foreign currency to U.S. dollars, the conversion rate shall be the New York foreign exchange rate quoted in *The Wall Street Journal* on the day that the payment is due.
    - i) Any loss of exchange, value, taxes, or other expenses incurred in the transfer or conversion to U.S. dollars shall be paid entirely by COMPANY; and

- ii) Additional royalties may be assessed by USDA on any payment that is more than ninety (90) days overdue at the rate of one percent (1%) per month. This one percent (1%) per month rate may be applied retroactively from the original due date until the date of receipt by USDA of the overdue payment and additional royalties. The payment of any additional royalties shall not prevent USDA from exercising any other rights it may have as a consequence of the lateness of any payment.
10. This Agreement shall become effective on the date when the last party to sign has executed this Agreement, unless the provisions of Paragraph 26 are not fulfilled, and shall expire \_\_\_\_\_ (X) months from its effective date. Within thirty (30) days of the termination or expiration of this Agreement, COMPANY shall return all Materials and Licensed Products to USDA or provide USDA with written certification of their destruction, unless COMPANY has executed a separate commercialization license for the Licensed Patent Rights.
11. In the event that COMPANY is in default in the performance of any material obligation under this Agreement, and if the default has not been remedied within ninety (90) days after the date of written notice of the default, USDA may terminate this Agreement by written notice to COMPANY.
12. COMPANY acknowledges that third parties also may be evaluating the Licensed Patent Rights, the Licensed Products, or the Materials for a variety of commercial purposes, and no guarantee can be made, should COMPANY apply for a separate commercialization license, that such a license would be available for any particular field of use. USDA agrees to notify COMPANY promptly if it receives from another company an exclusive license application in the Licensed Field of Use described in Paragraph 3.
13. COMPANY is encouraged to publish the results of its research projects using the Licensed Products or the Materials. In all oral presentations or written publications concerning the Licensed Products or the Materials, COMPANY shall acknowledge the contribution by the named inventors to the Licensed Products or the Materials, unless requested otherwise by USDA or the named inventors.
14. COMPANY agrees to submit in confidence a final report to USDA within thirty (30) days of termination or expiration of this Agreement outlining in general its results of commercial evaluation of the Licensed Patent Rights, the Licensed Products, or the Materials provided by this Agreement. COMPANY shall submit the report to USDA at the Mailing Address for Agreement notices indicated on the Signature Page. COMPANY may not be granted additional USDA licenses if this final reporting requirement is not fulfilled.

15. USDA agrees, to the extent permitted by law, to treat in confidence for a period of one (1) year from the date of disclosure, any of COMPANY's written information about the Licensed Patent Rights, the Licensed Products, or the Materials that is stamped "CONFIDENTIAL" except for information that was previously known to USDA, that is or becomes publicly available, or that is disclosed to USDA by a third party without an obligation of confidentiality.
16. USDA GIVES NO WARRANTIES OR GUARANTEES, EXPRESSED OR IMPLIED, FOR THE MATERIAL OR THE LICENSED PRODUCTS, INCLUDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE LICENSED PATENT RIGHTS MAY BE EXPLOITED WITHOUT INFRINGING OTHER PATENT RIGHTS. COMPANY accepts license rights to the Licensed Patent Rights, the Licensed Products, and the Materials "as is", and USDA does not offer any guarantee of any kind.
17. COMPANY agrees to indemnify and hold harmless USDA and the Government from any claims, costs, damages, or losses that may arise from the practice of the Licensed Patent Rights or through the use of the Licensed Products or the Materials.
18. Neither party shall have any obligation to take any action with regard to an infringement of Licensed Patent Rights by a third party.
19. COMPANY agrees in its use of any Materials or the Licensed Products to comply with all applicable Federal, State, and/or local statutes, regulations, and guidelines.
20. Confidentiality:
  - a. COMPANY shall not disclose Material marked "Confidential" or "Proprietary" to any third party nor use such confidential information for any purpose other than that given above without written permission from USDA.
  - b. COMPANY shall use the same degree of care to protect confidential information received under this Agreement as it uses to protect its own information of a similar nature, but in any event not less than reasonable care under the circumstances.
  - c. The confidential information shall be excluded from confidentiality if COMPANY can demonstrate that (a) it had possession of the information prior to disclosure, or (b) the information generally is available to the public at the time of disclosure, or becomes generally available, after disclosure, through no fault of COMPANY; or (c) COMPANY receives the information from a third party having the right to the information and who does not impose confidentiality.

- d. It shall not be a breach of this Agreement if COMPANY is required to disclose the confidential information by a valid order of a court or other government body, or as otherwise required by law, or as necessary to establish the rights of either party under this Agreement; PROVIDED THAT COMPANY shall provide prompt prior notice thereof to USDA to enable USDA to seek a protective order or otherwise prevent such disclosure, and PROVIDED FURTHER THAT the confidential information otherwise shall continue to be confidential.
21. This Agreement shall be construed in accordance with U.S. Federal law, as interpreted and applied by the U.S. Federal courts in the District of Columbia. Federal law and regulations shall preempt any conflicting or inconsistent provisions in this Agreement. COMPANY agrees to be subject to the jurisdiction of U.S. courts.
22. This Agreement constitutes the entire understanding of USDA and COMPANY and supersedes all prior agreements and understandings with respect to the Licensed Patent Rights, the Materials and the Licensed Products.
23. The provisions of this Agreement are severable, and in the event that any provision of this Agreement shall be determined to be invalid or unenforceable under any controlling body of law, the invalidity or unenforceability of any provision of this Agreement, shall not in any way affect the validity or enforceability of the remaining provisions of this Agreement.
24. These provisions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by existing statute or Executive Order relating to (1) classified information, (2) communications to Congress, (3) the reporting to an Inspector General of a violation of any law, rule, or regulation, or mismanagement, a gross waste of funds, an abuse of authority, or a substantial and specific danger to public health or safety, or (4) any other whistleblower protection. The definitions, requirements, obligations, rights, sanctions, and liabilities created by controlling Executive Orders and statutory provisions are incorporated into this Agreement and are controlling.
25. Paragraphs 5, 7, 9, 10, 13, 14, 15, 16, 17, 18, 23, and 24 of this Agreement shall survive termination of this Agreement.
26. COMPANY is required to execute fully this Agreement and submit a fully executed original to USDA. If USDA does not receive the fully executed original within sixty (60) days from the date of USDA's signature on this Agreement, then the terms and conditions of this Agreement shall be withdrawn from further consideration by COMPANY and the Agreement shall be null and void.

SIGNATURES BEGIN ON NEXT PAGE

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SIGNATURE PAGE

In Witness Whereof, the parties have executed this Agreement on the dates set forth below. Any communication or notice to be given shall be forwarded to the respective addresses listed below.

FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE:

\_\_\_\_\_  
Signature Date

BRIAN T. NAKANISHI  
Acting Assistant Administrator, Agricultural Research Service

Mailing Address or E-mail Address for Agreement notices and reports:

Office of Technology Transfer  
Agricultural Research Service  
5601 Sunnyside Avenue, Rm 4-1159  
Beltsville, MD 20705-5131

For COMPANY NAME (upon, information and belief, the undersigned expressly certifies or affirms that the contents of any statements of COMPANY made or referred to in this document are truthful and accurate.):

\_\_\_\_\_  
Signature Date

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

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

I. Official and Mailing Address for Agreement notices:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Mailing Address  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

II. Official and Mailing Address for Financial notices (COMPANY's contact person for royalty payments)

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

Mailing Address:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Email Address: \_\_\_\_\_



Phone: \_\_\_\_\_

Fax: \_\_\_\_\_

Any false or misleading statements made, presented, or submitted to the Government, including any relevant omissions, under this Agreement and during the course of negotiation of this Agreement are subject to all applicable civil and criminal statutes including Federal statutes 31 U.S.C. §§3801-3812 (civil liability) and 18 U.S.C. §1001 (criminal liability including fine(s) and/or imprisonment).

APPENDIX A – SHIPPING INFORMATION

COMPANY's Shipping Contact: information or questions regarding shipping should be directed to COMPANY's Shipping Contact at:

\_\_\_\_\_  
Shipping Contact's Name Title

Phone: (XXX) XXX-XXXX Fax: (XXX) XXX-XXXX

E-mail: \_\_\_\_\_

Shipping Address: Name & Address to which Materials should be shipped (please be specific):

\_\_\_\_\_  
Company Name & Department

Mailing Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

COMPANY's shipping carrier and account number to be used for shipping purposes:

\_\_\_\_\_

APPENDIX B – ROYALTY PAYMENT OPTIONS

The License Number **MUST** appear on payments, reports and correspondence.

All payments due to USDA under Paragraph 9 shall be payable in United States dollars using **Pay.gov** at <https://pay.gov/public/form/start/76123725>. **Pay.gov** accepts payments from a U.S. bank (up to U.S. \$99,999,999.99 per transaction) or using a credit card (up to U.S. \$24,999.99 for all transactions on the same day using the same credit card). Please refer to License No. (XXXX-XXX) when submitting payments. A late payment of a license fee or royalty shall automatically raise said fee or royalty by an amount equal to one percent (1%) of the amount due for each month beyond the due date of such late payment. Any and all loss of exchange, value, taxes, or other expenses incurred in the transfer or conversion of other currency to United States dollars shall be paid entirely by COMPANY.