

XLE SOFTWARE LICENSE AND CONFIDENTIAL DISCLOSURE AGREEMENT

Effective as of _____, 200____, Palo Alto Research Center Incorporated (hereinafter "PARC") having a place of business at Palo Alto, California, and _____
_____ (the "Institution"), hereby agree as follows:

1. To further the research collaboration between PARC and the Institution within the area of computational linguistics ("RESEARCH") and to facilitate the non-commercial research and teaching at the Institution it is necessary and desirable that PARC provide to the Institution proprietary PARC information (hereinafter referred to as the "PARC Information"). More particularly, the PARC Information is comprised of (a) "Software", which may include the XLE system, theorem provers, semantic interpreters, scripts, finite-state machine tools, and any database management system that may be used by or store results from the XLE system; (b) "Linguistic Specifications", which may include grammars, lexicons, transducers, rewrite rules, and other language related information owned or licensed by PARC; and (c) XLE documentation.

2. INSTITUTION ACCEPTS THAT THE PARC INFORMATION IS NOT SUPPORTED BY A COMMERCIAL PRODUCT AND THAT THE PARC INFORMATION IS PROVIDED "AS IS" AND THAT PARC MAKES NO WARRANTIES OF ANY KIND OR NATURE WITH RESPECT TO THE PARC INFORMATION. PARC HEREBY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING BUT NOT LIMITED TO WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, COMPATIBILITY, SECURITY, AND ACCURACY. IN NO EVENT WILL PARC BE LIABLE FOR ANY DAMAGES, INCLUDING BUT NOT LIMITED TO ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES RELATED TO DATA LOSS, LOST PROFITS, OR BUSINESS INTERRUPTION) IN ANY WAY ARISING OUT OF OR RELATING TO THE PARC INFORMATION. PARC'S ENTIRE AND MAXIMUM LIABILITY UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED THE TOTAL OF ANY LICENSE FEES PAID BY INSTITUTION TO PARC HEREUNDER.

3. The Institution shall not make the PARC Information available to any third party and shall use all reasonable efforts, at least as great as the precautions it takes to protect its own confidential information, to prevent inadvertent disclosure of the PARC Information to any third party.

4. The Institution will maintain, in writing, a list of a limited number of its employees and/or students (hereinafter "the RESEARCH Team"), who will be authorized to use the PARC Information under the conditions set forth in this agreement. Further the Institution shall make said list available to PARC at its request. The Institution shall take reasonable precautions to ensure that the RESEARCH Team members are aware of this Agreement and the Institution's obligations under this Agreement and to ensure that the RESEARCH Team members do not breach this Agreement. The Institution may, as necessary, add employees and/or students as members of the RESEARCH Team provided they keep records of such additions which will also be made available to PARC at its request.

5. The obligations of Paragraphs 3 and 4 hereof shall not apply with respect to any particular portion of the PARC Information: (i) when the Institution can document that:

- (a) the portion was in the public domain at the time of PARC's communication thereof to the Institution,
- (b) the portion entered the public domain through no fault of the Institution subsequent to the time of PARC's communication thereof to the Institution,
- (c) the portion was in the Institution's possession free of any obligation of confidence at the time of PARC's communication thereof to the Institution,
- (d) the portion was rightfully communicated to the Institution free of any obligation of confidence subsequent to the time of PARC's communication thereof to the Institution, or

- (e) the portion was developed by employees or agents of the Institution independently of and without reference to any PARC Information or other information that PARC has disclosed in confidence to any third party;
- (ii) with the prior written consent of PARC; or (iii) when the portion is disclosed pursuant to the order or requirement of a court or similarly empowered administrative or government agency. In the event of a disclosure under subsection 5(iii), the Institution shall give PARC written notice of such order or requirement as soon as practicable prior to disclosure of the PARC Information and shall provide reasonable cooperation and assistance in opposing such order or requirement if requested by PARC.

6. The Institution and its agents shall only use the PARC Information or circulate it within its own organization, for:

- (a) Internal non-commercial research and/or educational purposes in the field of computational linguistics.
- (b) Sharing of research results with collaborators that are not members of the RESEARCH Team, if approved in writing by PARC.
- (c) Publication of original works of the RESEARCH Team provided that the Institution shall, in writing, seek PARC's review and approval of any article, document, or other work proposed for publication by the RESEARCH Team (or any member thereof) containing any PARC Information, for purposes of identifying any PARC Information for deletion. If PARC believes that a proposed publication contains confidential PARC Information, PARC shall so notify the Institution in writing within thirty (30) days of receipt of the work, and the Institution shall either withdraw the work from publication or remove the PARC Information to PARC's satisfaction prior to publication. In the absence of confidential PARC Information, PARC shall grant written approval to the Institution to proceed with the proposed publication; such approval shall not unreasonably be withheld, and may be inferred from a lapse of greater than thirty (30) days (plus a reasonable amount of time for notice by mail) without communication from PARC, beginning upon PARC's receipt of a work for review.
- (d) Non-commercial public demonstrations, provided that such demonstrations show the Software in operation and are limited to the display and/or printing of the contents of the XLE input window and the XLE results window only. Under no circumstances may a public demonstration disclose the source or object code of the Software, the Linguistic Specifications or the XLE documentation.
- (e) Other Demonstrations approved in writing by PARC.

Under no circumstances shall the Institution, its agents, or the RESEARCH Team, reverse engineer, decompile, disassemble, or redistribute the PARC Information, or allow or cause any third party to do so.

7. The Institution and its agents shall retain intellectual property rights over "Derivative Products" (including but not limited to grammars, linguistic specifications, and output produced by the Software) arising from the use of the PARC Information subject to:

- (a) The Institution agrees to communicate to PARC in writing any and all ideas or improvements to the PARC Information, as they appear while the PARC Information is being used by the Institution and the RESEARCH Team. The Institution further agrees to grant to PARC a non-exclusive royalty-free license, world-wide and in perpetuity, to make, have made, use, offer for sale, sell, sublicense, import, export, or otherwise commercialize any modifications, extensions and improvements made to PARC Information, including modifications, extensions, and improvements to XLE, Linguistic Specifications, grammars, lexicons, transducers, scripts, theorem provers, semantic interpreters, finite-state machine tools, XLE documentation, rewrite rules, database management systems, and any other language-related information owned or licensed by PARC. The Institution shall not assign any of its retained rights or obligations with regard to its ideas and improvements to the PARC Information to any third party without the prior written consent of PARC.

- (b) The Institution further agrees to communicate to PARC any grammars or other linguistic specifications (including but not limited to lexicons and other language-related information) produced through the use of the PARC Information. Except to the extent that certain limited portions of grammars or other linguistic specifications may have been obtained from a third party (other than through the use of the PARC Information) on a restricted basis, the Institution further agrees to grant to PARC a non-exclusive royalty-free license, world-wide and in perpetuity to make, have made, use, sublicense, import, and export any ideas, grammars, linguistic specifications, rewrite rules, database management systems, and any other Derivative Products created or otherwise derived in connection with the use of the PARC Information by the Institution for research purposes, and make available to PARC commercial rights therein (including the right to make, have made, use, offer for sale, sell, sublicense, import, and export, or otherwise commercialize) at most favored customer pricing. The provisions of this paragraph 7(b) shall not reduce rights in any Grammars or other Linguistic Specifications which PARC has previously obtained rights to.
- (c) Except as otherwise permitted in paragraphs 6(c) and 6(d), Institution agrees not to make any output produced by the Software available to any third party, either directly in its raw format or indirectly through another program that further processes the output, without first obtaining written permission from PARC.
- (d) Institution agrees that neither Institution nor any other entity may utilize commercially, license, sell, or otherwise commercially gain from output created by using PARC Information pursuant to this Agreement, unless Institution first enters into an agreement with PARC therefor.
- (e) In exercising its limited rights under this paragraph 7, including subparagraphs 7(a) through 7(d), the Institution shall not gain any additional rights over the PARC Information (including but not limited to the right to bundle the PARC Information with an authorized Derivative Product) beyond those expressly set forth elsewhere in this Agreement.

8. All PARC Information and related materials furnished under this Agreement shall remain the property of PARC. By disclosing the PARC Information to the Institution, PARC does not grant any express or implied right to the Institution to or under any PARC patents, copyrights, trademarks, or trade secret information except to the limited extent necessary to enable the Institution to use the PARC Information as expressly authorized by Paragraph 6 above.

9. PARC or the Institution may terminate this Agreement at any time by notifying the other party, in writing, of the termination. Any term expressed to continue indefinitely shall survive termination of this Agreement.

10. The United States controls the export of products and information. You agree to comply with such restrictions and not to export or re-export the PARC Information and related materials to countries or persons prohibited under the export control laws, or use the PARC Information and related materials for any purpose prohibited by the export control laws. By downloading and/or using any PARC Information, you represent that you are not in a country where such export is prohibited and that you are not on the U.S. Commerce Department's Table of Denial Orders or the U.S. Treasury Department's list of Specially Designated Nationals.

11. Unless other arrangements are agreed to in writing by the parties, any written notices between PARC and Institution required by this Agreement shall be sent to the following addresses:

PARC: Area Manager, NLTT Group
Palo Alto Research Center Incorporated
3333 Coyote Hill Rd.
Palo Alto, California 94304
U.S.A.

Institution: _____

12. In any event, this Agreement will terminate five years after PARC's communication of the last update of the PARC Information to the Institution.

13. Upon the termination of this Agreement, the Institution shall stop using the PARC Information and shall promptly destroy all originals and copies of the PARC Information in the possession, custody, or control of the Institution, its agents, the RESEARCH Team.

14. This Agreement constitutes the complete agreement between PARC and the Institution relative to the PARC Information, and supersedes any prior agreements. This Agreement may not be amended except by a written document signed by duly authorized representatives of both parties.

15. This Agreement shall be construed in accordance with the laws of the State of California, without regard to its laws governing choice of law, and disputes shall be adjudicated or otherwise decided in the forums therefore located in the State of California without regard to its conflict of laws provisions. Furthermore, the parties exclude the application of the United Nations Convention on Contracts for the International Sale of Goods if otherwise applicable.

16. Subject to the limitations set forth herein, this Agreement will inure to the benefit of and be binding upon the parties, their successors, and assigns. This Agreement may not be assigned or otherwise transferred by Institution without the prior written consent of PARC.

17. Institution is hereby notified that third parties that have licensed software to PARC that is included in the PARC Information are third party beneficiaries to this Agreement as it applies to such third party licensed software.

18. If any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable, all other provisions hereof shall remain in full force and effect, and be interpreted to the extent possible consistent with the intent of the parties expressed by this Agreement.

Signatures of the Authorized Parties:

Institution: _____	Palo Alto Research Center Incorporated
By: _____	By: Damon Matteo
Title: _____	Title: Vice President
Date: _____	Date: _____