

EXHIBIT C
SAMPLE LICENSING AGREEMENT

WITNESSETH:

WHEREAS, *** and *** (collectively, "Licensor") have certain knowledge and materials regarding a certain formulation of *** for the treatment of ****. Licensor shares the interest of *** to bring this formulation to the *** through further research and development and commercialization in order to benefit the public health worldwide.

WHEREAS, Licensor and *** enter into this Agreement in order to permit *** to commercialize this formulation with the technical assistance of Licensor. *** wishes to share the credit and financial benefits of commercializing this formulation with the Licensor.

WHEREAS, *** and Licensor anticipate the possible need to amend this Agreement or enter into other Agreements in the future that may provide additional terms or conditions in order to commercialize the **** formulation and other such formulations.

- This "preamble" sets forth the intent of each party to enter into the below terms and conditions.

NOW WHEREFORE *** AND LICENSOR, IN A SPIRIT OF COOPERATION AND COLLABORATION, AGREE TO THE FOLLOWING TERMS AND CONDITIONS:

1. Under this Agreement and according to these terms, Licensor hereby grants the following license rights to ***, which hereby accepts these license rights. The following license is an exclusive, worldwide license under this Agreement to make and have made, to use and have used, to sell and have sold, to offer to sell, and to import the Formulations, identified for all fields of use as well as the right to practice or have practiced the Formulations, as well as methods for making and using the Formulations in all fields of use:

- This section defines the scope of the license granted to the licensee. In this case, the license is exclusive and worldwide, but in many cases the license granted is more limited in scope and will be defined as non-exclusive or for a specific territory. As written above, the licensee will be the exclusive entity throughout the world who is authorized by the licensor to use the formulations.

A. As used hereunder the term "Formulations" shall mean a combination of natural products developed by Licensor for the treatment of ****, including any components of and modifications made to such formula for any reason, including, but not limited, to addressing the scarcity of any

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herbal component in the formulation or any governmental restriction that prohibits the sale of the unmodified formulation for any reason.

- B. The right by *** to grant sublicenses for all or part of the rights granted hereunder, and
- C. The right by *** to exercise an option to exclusively license from the Licensor any and all other formulations ("Other Formulations") developed by the Licensor, the option to remain open during the term of this Agreement.

2. Licensor agrees that *** will have sixty (60) days to confirm in writing to Licensor, ***' exercise of its option to exclusively license Other Formulations not yet identified to *** once such Other Formulations have been identified or brought to the attention of ***. The Licensor is free to license to other parties those Other Formulations that *** does not license under this Agreement.

3. *** and Licensor agree that, under this Agreement, Licensor can continue to use the **** Formulation and Other Formulations to treat its existing and future patients and sell any medicines containing the *** Formulation or Other Formulations to such patients. Licensor, however, cannot (a) sell any medicines containing such Formulation or Other Formulations to any other persons, (b) enter into any arrangements other than this Agreement to commercialize the **** Formulation or Other Formulations, or (c) engage in any activity that would otherwise be in violation of this exclusive license.

- This section is important in defining the continued rights of the licensor that has granted a license that is so broad in scope. Here, the licensor has retained the right to use the formulation with respect to existing or future patients, but cannot monetize the formulation through sale to other parties. This seems fairly standard in that a licensee who will likely be paying a hefty sum to develop and commercialize such a formulation would not want to worry about competition from the licensor.

4. *** agrees to pay to Licensor the following monies (in United States Dollars):

- The following clauses define the fee structure under this agreement, and would likely vary greatly from situation to situation. Royalties, however, as used below, are often a common source of additional compensation for the licensor.

A. As a base amount:

(1) The amount of *** for the **** Formulation.

(2) The amount for each Other Formulation identified in the future shall be negotiated in good faith by the parties to this Agreement.

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(3)*** shall pay to Lessoror **** of the Formulation fees under Paragraph 4.A.(1) above when the Company has completed raising additional capital in an amount equal to or in excess of ***, and the remaining *** of such Formulation fee when the first successful pilot plant batch of the **** Formulation is made, as determined by ***.

(4)*** shall pay to Lessoror *** of each of the Formulation fees under Paragraph 4.A.(2) above, at such time as Lessoror provides each of such Other Formulation to ***, and the remaining One-Half (1/2) of each such Other Formulation fee when the first successful pilot plant batch of that Other Formulation is made.

B. *** will also pay to Lessoror each calendar year, the following:

(1) A royalty of **% of Net Sales of the **** Formulation and Other Formulations; "Net Sales" means the total revenues of *** based on gross invoiced sales of the Formulation, excluding sales and similar taxes, discounts, allowances, credits for returns, rebates, import duties and other governmental charges, freight and transportation charges, and insurance. For Formulations sold in combination with other products, Net Sales, for purposes of determining royalty payments on such combination, shall be calculated based on the reasonable portion of the Net Sales price attributable to the Formulation.

(2) If *** develops a synthetic form of a Formulation or any part thereof licensed under this Agreement (a "**** Formulation"), a royalty payment based on the Net Sales of any commercial product or service containing the *** Formulation to be negotiated and reduced below 5% in proportion to the contribution made by *** in making the synthetic form, and which royalty may reduced to as low as 0%.

(3) If a Formulation is sublicensed, a sublicensing fee of twenty percent (20%) of any royalties paid to *** based on sales by the sublicensee.

(4) Commencing January 1, 2003, the minimum annual royalty payment shall be ***; provided, however, that every three years, Lessoror and *** will negotiate future minimum annual royalty payments six (6) months before the end of each third year anniversary period of this Agreement.

C. Amounts due for a particular calendar year under this Paragraph 4.B shall be due and payable on March 31 of the immediately following calendar year. *** shall withhold **% of any gross royalty or up-front fee paid under this Paragraph 4 if required in accordance with the *** Income Tax Treaty, Article 21.

D. *** shall keep complete and accurate records in sufficient detail to permit Licensor to confirm the accuracy of calculations of all payments made pursuant to Paragraph 4 of this Agreement. Such records shall be retained by *** for no less than a five (5) year period following the year in which any such payments were made. Once per calendar year, Licensor shall have the option to engage at its own expense, an independent certified public accountant reasonably acceptable to ***, to examine, in confidence, such records kept by *** as may be necessary to determine, with respect to any calendar year, the correctness of any payment made pursuant to Paragraph 4 of this Agreement. The report of such accountant shall be limited to a certificate verifying any report made or payment submitted by *** during such period but may include, in the event the accountant shall be unable to verify the correctness of any such payment, information relating to why such payment is unverifiable. All information contained in any such certificate shall be deemed to be *** Confidential Information hereunder. If any audit performed under this paragraph shall indicate that any payment due pursuant to Paragraph 4 was underpaid, *** shall pay Licensor the amount of any underpayment promptly.

5. This Agreement will begin on *** and will terminate on ****, unless and until Licensor and *** agree in writing to modify, extend, or sooner terminate the Agreement; provided, however, this Agreement will terminate and any rights conveyed hereunder will automatically revert to Licensor, if, within six (6) months of the date of this Agreement, *** is unable to raise additional capital in an amount equal to or in excess of ****, or if *** terminates this Agreement at any time upon two (2) months notice that the Agreement has been deemed to be financially unfeasible.

- Here, the term can be definite while still leaving each party the option to terminate upon convenience. Or, as shown here, the agreement can terminate if certain conditions are not met in the goal of commercialization, such as the raising of capital.

6. Licensor hereby confirms that it holds all legal right, title and interests in and to certain intellectual property rights relating to the **** Formulation and Other Formulations to be identified in the future and licensed under this Agreement, including know-how concerning compositions of matter and methods of use of compositions of such Formulation and Other Formulations for the prevention, diagnosis and treatment of certain human diseases and conditions of health and Licensor further confirms that it holds all legal right, title and interests in and to certain personal property rights in tangible embodiments of these compositions and Formulation and Other Formulations.

- Here, it is important for the licensor to retain its intellectual property rights in the formulation, as it only wishes to grant the license for the use and commercialization of the product, and does not wish to lose the value of the intellectual property itself.

7. Licensor agrees with *** that for this effort to be successful, Licensor and *** need to work together in collaboration and cooperation in their conducting research and development on projects under the scope of this Agreement. In particular, Licensor shall assist and consult with *** upon request on any topic reasonably related to the Formulations, including formulation components, formulating methods, manufacturing methods, plant identification, plant medicinal properties, sourcing of plant materials, information from patients regarding safety, efficacy, and side effects, including anecdotal information, and any information useful in establishing a clinical study. If the assistance and consultation furnished by Licensor at the request of *** exceeds twenty-five (25) days, Licensor may charge a reasonable consulting fee for such assistance and consultation. Licensor represents to *** that to the best of Licensor's knowledge and belief, the Formulation and Other Formulations, the exclusive license rights for which Licensor grants under this Agreement to ***, are safe and effective for the treatment of human patients for the conditions and diseases indicated by Licensor. *** understands that such representations do not constitute guarantees, but an assurance based upon the technical knowledge and expertise that the Licensor has developed through its use of these Formulations and Other Formulations in its own medical practice as well as from discussions with other using the Formulations and Other Formulations to treat the specified human disease or condition.

- Here, the parties have agreed that it is in both of their best interests to collaborate with respect to the commercialization of the formulation. Here, the parties will mutually benefit from the success of such commercialization. Conversely, both parties would mutually suffer from the failure of such commercialization. Therefore, such a clause solidifies the mutual relationship of both parties.

10. Licensor further agrees that it shall not compete with *** in any commercial or business venture regarding the development and marketing of the **** Formulation and Other Formulations identified under this Agreement, except as may otherwise be provided under Paragraph 3 above.

- Here, the licensee will likely push for the licensor to guarantee that it will not compete with licensee, as the licensor would theoretically be double-dipping into the market by realizing its own revenue and revenue from the license and its royalties.

11. Licensor and *** agree that this Agreement will be understood to be in force under the law of the State of California and that no other promise or written agreements will be permitted to change any of the terms of this Agreement, except and only to the extent that such changes result from subsequent written amendments agreed to and signed by Licensor and ***. In the event of a dispute arising under this Agreement, the Parties agree to meet in good faith to resolve the dispute. If such efforts are unsuccessful, the parties shall submit the dispute to non-binding mediation before a neutral mediator in

*** prior to any lawsuit. The Parties consent to jurisdiction in the state and federal district of *** in the event of a lawsuit.

12. CONFIDENTIALITY. The Parties agree to treat as confidential any and all Confidential Information obtained from each other and to that end further agree that information disclosed pursuant to this Agreement relating to the Formulations, including efforts to commercialize the Formulations, shall be deemed Confidential Information. Notwithstanding the foregoing, confidential information may be disclosed to the extent required by any law or regulation of any governmental authority having jurisdiction over any of the Parties, with appropriate efforts made to maintain confidentiality. Both Parties shall maintain Confidential Information in confidence as set forth herein, for a period of five (5) years beyond termination or expiration of this Agreement. Upon request from either Party, the confidentiality of specific Confidential Information may be maintained for a longer time as the Parties may subsequently agree. There are no obligations of confidentiality as to specific information (a) which is publicly known at the time of disclosure under this Agreement or becomes publicly known at any time other than through disclosure by the recipient of the information; (b) which is demonstrably known to the recipient of the information prior to its receipt from the disclosure; (c) which is disclosed to the recipient by a third party not under an obligation of confidentiality and independently of the studies contemplated by this Agreement; or (d) for which disclosure has been approved by the mutual written consent of the Parties; or (e) independently developed without access to Confidential Information from the discloser.

A. Lessor hereby warrants that it has good title to all materials, plants, roots, seeds, plant products, extracts, Formulations, or any portion thereof ("Materials"), transferred pursuant to this Agreement and that it has obtained all applicable licenses, permissions, releases, authorizations, and/or certifications necessary to transfer and export Materials and related information from national and local governments, public agencies, indigenous groups, and private third parties ("Approvals"). Lessor hereby agrees to give *** documentation evidencing such Approvals. Lessor hereby agrees that if it becomes aware that there are any restrictions on the use of the Materials, or any further Approvals that are necessary, it shall notify ***. Lessor, upon request from ***, shall take all necessary steps to acquire any additional such Approvals as may be required to assure that the transfer of Materials and related information is in all respects consistent with applicable law and regulation, and to effectuate the provisions of this Agreement. These provisions apply to all Materials transferred by Lessor. *** shall be responsible for obtaining the necessary Approvals for any Materials they acquire on their own.

13. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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14. This Agreement sets forth the entire agreement between *** and Lessor pertaining to the subject matter hereof and supersedes all negotiations, preliminary agreements, memoranda or letters of proposal or intent, discussions and understandings of *** and Lessor. All discussions between *** and Lessor have merged into this Agreement, and neither party shall be bound by any definition, condition, understanding, representation, warranty, covenant or provision other than as expressly stated in or contemplated by this Agreement or as subsequently shall be set forth in writing and executed by a duly authorized representative of *** and Lessor to be bound thereby. No amendment or modification of this Agreement shall be valid or binding upon *** and Lessor, unless agreed upon by both parties, made in writing, and signed on behalf of each of *** and Lessor by their duly and legally authorized representative officers.

IN WITNESS WHEREOF, the undersigned are duly authorized to execute this Agreement on behalf of *** and Lessor, as applicable.

On behalf of ***, Inc.

On behalf of ***

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

On behalf of ***

Date: _____

Works Cited:

Michael A. Gollin, VENABLE Attorneys at Law, 1201 New York Avenue, N.W., Suite 1000, Washington, DC 20005-3917, United States of America. World Intellectual Property Organization.

<http://www.wipo.int/tk/en/databases/contracts/texts/licencegollin.html>