



**LICENSE AGREEMENT**  
University of Hawai'i

This License Agreement (the "Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2002 ("Effective Date"), by and between the University of Hawai'i, a body corporate and public instrumentality of the State of Hawai'i, through its Technology Licensing Group, Office of Technology Transfer and Economic Development, whose address is 2800 Woodlawn Drive, Suite 280, Honolulu, Hawai'i 96822 ("UH"), and Mr. Walter Ritte, whose principal place of business is P.O. Box 486, Kaunakakai, HI 96748 ("LICENSEE").

In consideration of the premises and the mutual covenants set forth herein, and for good and valuable consideration, LICENSEE hereby agrees to all the terms and conditions of this Agreement and acknowledges and agrees to the rights of the United States Government, if any, under Public Laws 96-517 and 98-620, as follows:

1. UH owns the taro cultivar named "PA'LEHUA", including all plant material, corm(s), huli, and keiki ("PLANTS") as described in UH TLG No. 00261, and U.S. Plant Patent No. PP12361, issued on January 22, 2002 ("PATENT").

2. UH grants and LICENSEE accepts a license to propagate PLANTS in the State of Hawai'i and sell or distribute only the corm(s) of the PLANTS in the State of Hawaii. LICENSEE shall **NOT** sell or distribute any PA'LEHUA PLANTS in its entirety or the huli(s) of the PA'LEHUA plant **WITHOUT PRIOR WRITTEN AUTHORIZATION FROM UH.**

3. LICENSEE may **NOT** grant sublicense(s).

4. LICENSEE shall permit UH or its designee to enter upon LICENSEE's property, and all other locations where PLANTS may be located to inspect, evaluate, or retrieve samples of PLANTS. LICENSEE shall **NOT USE PLANTS TO MAKE NEW SELECTIONS OR VARIETIES.**

5. Said license is nontransferable, royalty-bearing, and nonexclusive for a term commencing as of the EFFECTIVE DATE and ending on the expiration of the PATENT, unless earlier terminated pursuant to Article 18.

6. UH hereby retains for itself the right to practice, or to have practiced on its behalf, the PLANTS and PATENT throughout the world, including the right to engage in research on the PLANTS, either alone or with one or more third parties.

7. In consideration for the grant of non-exclusive rights to LICENSEE by UH under the PATENT, LICENSEE shall pay to UH all amounts and royalties as follows:

A. **Gross Sales** means the sum of all monetary amounts and the monetary value of all non-monetary consideration received by LICENSEE from third parties for the sale, lease, or commercial use of corm(s).

B. **Royalties shall be calculated as 2% of Gross Sales each year, and shall be paid once per year as follows:**

1. For example, if Gross Sales for the year are \$100, royalties due to UH shall be two dollars. (2% x \$100 = \$2).

C. Notwithstanding the above, LICENSEES who have previously received any of PLANTS shall be exempt from paying royalties to UH for one year from the Effective Date of this Agreement.

D. Notwithstanding the above, LICENSEES who are receiving PLANTS for the first time shall be exempt from paying royalties to UH for three years from the Effective Date of this Agreement.

E. Royalties are due and payable within thirty (30) days after the end of each calendar year.

8. All royalty payments to UH shall be paid in United States Dollars by check made payable to "University of Hawai'i" and mailed to: Agricultural Diagnostic Service Center, whose address is 1910 East-West Road, G. Donald

Sherman Laboratory, Honolulu, Hawai'i 96822. UH may change payee and address by giving written notice of any such change to LICENSEE.

9. Any amount owed by LICENSEE under this Agreement that is not received by UH on or before the date due shall bear interest at a per annum rate two percent (2%) above the prime rate in effect at the Bank of America (San Francisco) foreign exchange desk on the date due. LICENSEE shall also pay all reasonable collection costs at any time incurred by UH in obtaining payment of amounts past due, including reasonable attorneys' fees. The payment of such interest by LICENSEE shall not foreclose UH from exercising any other rights it may have as a consequence of the lateness of any payment.

10. LICENSEE shall render to UH a written account of the Gross Sales for each calendar year. The written reports shall be delivered to UH within thirty (30) days after the end of each calendar year. Concurrent with the making of each such report, LICENSEE shall include payment due UH of royalties for the calendar year covered by such report. LICENSEE shall make such written reports even if there have been no Gross Sales for the calendar year. LICENSEE's written reports shall include at least the following:

LICENSEE's Name  
TLG No. 00261 - PA'LEHUA  
Number or fraction of acre(s) planted (Estimated)  
Planting distance between PLANTS  
Total weight of the corm(s) sold  
Total billings for corm(s) sold  
Total royalties due to UH

LICENSEE shall continue to make reports pursuant to Article 10 after termination of the license, until such time as all PLANTS produced under the license have been returned to UH or destroyed. Concurrent with the submittal of each post-termination report, LICENSEE shall pay UH all applicable royalties.

LICENSEE's failure to perform in accordance with this Article 10 above shall be grounds for UH to terminate this Agreement pursuant to Article 17.

11. LICENSEE shall promptly inform UH of any suspected infringement of PATENTS by a third party.

12. Except as expressly set forth in this Agreement, UH MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE PLANTS, OR PATENT WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER RIGHTS OF ANY THIRD PARTIES. UH MAKES NO EXPRESS OR IMPLIED WARRANTIES OF ANY OTHER RIGHTS.

13. Licensee shall bear all risk resulting from the use of PLANTS and further shall defend, indemnify, and hold harmless UH, its board of regents, officers, employees, students, agents, and consultants, and the State of Hawai'i and its agencies, employees, and elected officials, from and against any and all liabilities, claims, demands, damages, expenses and losses, of whatsoever kind or nature, including court costs and reasonable attorneys' fees arising in connection with LICENSEE's: (a) acceptance of PLANTS; (b) performance of this Agreement; or (c) propagation of PLANTS, sale of corm(s), or practice of rights under the PATENT.

14. Furthermore, LICENSEE assumes all duties and obligations arising from its propagation of PLANTS, sale of corm(s) and the practice of the PATENT, including without limitation, compliance with any governmental laws, rules, regulations or ordinances.

15. UH is a licensor of PATENT hereunder, and is not a propagator or grower of PLANTS or seller of corm(s) for commercial sale, distribution, or use to LICENSEE, nor is UH directing or in any way controlling LICENSEE as to which PLANTS to propagate, grow, or use, or which corm(s) to sell.

16. LICENSEE shall at all times comply, through insurance or self-insurance, with all statutory workers' compensation and employers' liability requirements covering any and all employees with respect to activities performed under this Agreement.

17. LICENSEE may unilaterally terminate this Agreement at any time by providing UH with written notice at least sixty (60) calendar days in advance of such termination date. LICENSEE shall be permitted to grow out, harvest and sell all remaining PLANTS planted prior to the termination of the agreement. Once all PLANTS are grown out and harvested, LICENSEE is permitted to sell corm(s) but must agree to return or destroy all hulis.

18. UH may terminate this Agreement in accordance with the following:

- A. Should LICENSEE fail to make any payment whatsoever due and payable to UH, UH shall have the right to terminate this Agreement effective on thirty (30) days' notice, unless LICENSEE shall make all such payments to UH within said thirty (30) day period. Upon the expiration of the thirty (30) day period, if LICENSEE shall not have made all such payments to UH, the rights, privileges and license granted hereunder shall automatically terminate.
- B. This Agreement shall automatically terminate if LICENSEE commits any act of bankruptcy, becomes insolvent, files a petition under any bankruptcy or insolvency act, or has any such petition filed against it.
- C. Upon any material breach or default of this Agreement by LICENSEE (including, but not limited to, breach or default under Article 7 and Article 10), other than those occurrences set out in Articles 18A and 18B, which shall always take precedence in that order over any material breach or default referred to in this Article 18C, UH shall have the right to terminate this Agreement and the rights, privileges and license granted hereunder effective on thirty (30) days' notice to LICENSEE. Such termination shall become automatically effective unless LICENSEE shall have cured any such material breach or default prior to the expiration of the thirty (30) day period.
- D. Upon termination by UH, LICENSEE shall immediately destroy or return all PLANTS to UH at LICENSEE'S own expense.
- E. Surviving any termination are:
  1. LICENSEE'S obligation to pay royalties accrued or accruable;
  2. Any cause of action or claim of LICENSEE or UH, accrued or to accrue, because of any breach or default by the other party; and
  3. The provisions of Articles 10, 13, 14, 15, and 17 and any other provisions that by their nature are intended to survive.

20. This Agreement shall be construed and enforced in accordance with the laws of the State of Hawai'i. Any actions based on this agreement shall be initiated only in courts having their situs in the State of Hawai'i.

21. This Agreement constitutes the entire agreement of the parties on the matters covered and supersedes any and all prior representations, understandings and agreements, oral or written, between the parties.

22. The legality or invalidity of any provisions of the Agreement shall not impair, affect or invalidate any other provisions of this Agreement.

23. If either party desires a modification of this Agreement, the parties shall, upon reasonable notice of the proposed modification or extension by the party desiring the change, confer in good faith to determine the desirability of such a modification or extension. Such modification shall not be effective until a written amendment is signed by the signatories to this Agreement or by their respective representatives duly authorized to execute such amendment.

24. All notices or other communications required or desired to be given hereunder shall be given in writing and shall be deemed given or made if (i) personally delivered to the party to whom such notice is addressed, or (ii) if deposited in the United States mail, certified or registered, postage prepaid, and addressed to the party to whom given at its address as shown below, or if sent by telex or facsimile transmission addressed to the party to whom given at its address shown below, or (iii) if delivered by a reputable express delivery service such as Federal Express or United Parcel Service and addressed to the party to whom given at its address as shown below. All notices shall be deemed to be given upon personal delivery thereof, or when received if in the form of a telex or facsimile

transmission. Airmail shall be used for all mailings to or from outside the State of Hawai'i. A party may change its address for notices by giving written notice of any such change to the other party as set forth below.

If to UH:  
University of Hawai'i  
Agricultural Diagnostic Service Center  
1910 East-West Road  
G. Donald Sherman Laboratory  
Honolulu, Hawai'i 96822  
Attn: Director  
Telephone: (808) 956-6706  
Facsimile: (808) 956-2592  
Attention: Manager ADSC

If to LICENSEE:  
Name:  
Title:  
Address:  
  
Attn:  
Telephone:  
Facsimile:  
E-mail:

25. Neither this Agreement nor any rights or obligations of LICENSEE shall be assigned or otherwise transferred by LICENSEE without the prior written consent of UH. Nothing contained in or implied from this Agreement is intended to confer any rights or remedies upon any person or entity, other than the parties hereto and their successors in interest and permitted assignees, unless expressly stated herein to the contrary.

26. Any facsimile transmission of this Agreement that is signed by a duly authorized representative of each party is legally binding and enforceable and the parties must make every reasonable effort to execute duplicate originals of the Agreement.

IN WITNESS WHEREOF, the party has caused this Agreement to be executed in duplicate originals by its duly authorized representative.

**LICENSEE:**

**INDIVIDUAL OR COMPANY NAME:** \_\_\_\_\_

By: \_\_\_\_\_  
Print Name:  
Title:

\_\_\_\_\_ Date