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NONDISCLOSURE AGREEMENT

THIS NONDISCLOSURE AGREEMENT (the “Agreement”) is entered into by **Dylan O. Adams on behalf of APEX PATENTS LLC** (the “Receiving Party”), for the benefit of **JOHN Q. PATENT** (the “Disclosing Party”).

RECITALS

A. In connection with the pursuit of a business, investment, financial, employment or other relationship between the Disclosing Party and the Receiving Party (the “Transaction”), the Disclosing Party may disclose valuable proprietary information to the Receiving Party relating to the Disclosing Party’s products, finances, technology, business plans, marketing plans, operations, and business.

B. The Disclosing Party would like to protect the confidentiality of and prevent the unauthorized use and disclosure of such information, which restrictions are acceptable to the Receiving Party, and would not provide such information without the undertakings and agreements of the Receiving Party set forth below.

AGREEMENT

THEREFORE, in consideration of the Disclosing Party’s disclosing certain of such confidential information to the Receiving Party, the Receiving Party hereby agrees as follows:

1. **CONFIDENTIAL INFORMATION.** As used in this Agreement, “Confidential Information” means all information of the Disclosing Party that is not generally known to the public, whether of a technical, business or other nature (including, without limitation, trade secrets, know-how and information relating to the products, technology, customers, business plans, promotional and marketing activities, finances and other business affairs of the Disclosing Party), that is disclosed by the Disclosing Party to the Receiving Party and that by the nature of the circumstances surrounding the disclosure ought to be treated as proprietary or confidential.

2. **USE OF CONFIDENTIAL INFORMATION.** The Receiving Party, except as expressly provided in this Agreement, shall not disclose the Confidential Information to anyone without the Disclosing Party’s prior written consent. The Receiving Party shall not use, or permit others to use, Confidential Information to compete, directly or indirectly against the Disclosing Party, including but not limited to solicitation of the Disclosing Party’s customers, or for any purpose other than for evaluation or pursuit of a business, investment, financial or other relationship between the Disclosing Party and the Receiving Party. The Receiving Party shall take all reasonable measures to avoid disclosure, dissemination or unauthorized use of Confidential Information, including, at a minimum, those measures it takes to protect its own confidential information of a similar nature.

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3. **EXCEPTIONS.** The provisions of Section 2 shall not apply to any information that (i) is or becomes publicly available without breach of this Agreement; (ii) can be shown by documentation to have been known to the Receiving Party at the time of its receipt from the Disclosing Party; (iii) is rightfully received from a third party who did not acquire or disclose such information by a wrongful or tortious act; (iv) can be shown by documentation to have been independently developed by the Receiving Party without access to any Confidential Information; or (v) approved for release by the Disclosing Party in writing.

4. **OWNERSHIP OF CONFIDENTIAL INFORMATION.** All Confidential Information shall remain the exclusive property of the Disclosing Party, and the Receiving Party shall have no rights, by license or otherwise, to use the Confidential Information except as expressly provided in this Agreement.

5. **RETURN OF CONFIDENTIAL INFORMATION.** The Receiving Party promptly shall return all tangible material embodying Confidential Information (in any form and including, without limitation, all summaries, copies and excerpts of Confidential Information) upon the earlier of (i) the completion or termination of the dealings between the Disclosing Party and the Receiving Party, and (ii) the Disclosing Party's written request. The obligations of the Receiving Party under this Agreement shall survive the return of any Confidential Information.

6. **REMEDIES.** The Receiving Party acknowledges that disclosure or use of Confidential Information in violation of this Agreement or the failure of the Receiving Party otherwise to comply with the terms of this Agreement could cause irreparable harm to the Disclosing Party for which monetary damages may be difficult to ascertain or an inadequate remedy. The Receiving Party therefore agrees that the Disclosing Party shall have the right, in addition to its other rights and remedies, to seek and obtain injunctive relief for any violation of this Agreement, without proof of actual damages and without any requirement for the securing or posting of a bond. The prevailing party in any action commenced to prevent any actual or threatened improper use of Confidential Information or in connection with any other breach of this Agreement shall be entitled to receive that party's reasonable attorneys' fees and court costs.

7. **RELIANCE ON CONFIDENTIAL INFORMATION.** Neither the Disclosing Party nor any of its directors, officers, employees or advisors make any express or implied representation or warranty as to the accuracy or completeness of the Confidential Information or shall have any liability to the Receiving Party relating to or arising from the use of the Confidential Information, or any errors or omissions with respect to such Confidential Information, if any.

8. **LIMITED RELATIONSHIP.** This Agreement does not create a joint venture, partnership or other formal business relationship or entity of any kind, or an obligation to form any such relationship or entity. The Receiving Party shall not act as an independent contractor

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or as an agent of the Disclosing Party for any purpose, and neither party shall have the authority to bind the other.

9. **ENTIRE AGREEMENT; AMENDMENT.** This Agreement constitutes the entire agreement between the parties relating to the matters discussed in this Agreement and may be amended or modified only with the mutual written consent of the parties.

10. **SCOPE; TERMINATION.** Except as otherwise set forth in this Agreement, the obligations of the Receiving Party set forth in this Agreement shall continue for a period of five (5) years from the date of this Agreement, even if the parties determine not to proceed with the Transaction.

11. **NOTICES.** All notices and other communications required or authorized under this Agreement shall be given in writing by one of the following methods: personal delivery; registered mail; commercial courier service; facsimile or email addressed:

If to the Receiving Party: Apex Patents LLC
1400 Hubbell Pl, Suite 314
Seattle, WA 98101

If to the Party Disclosing: Name:
Address:
Address:
Telephone:
Email:

or to such addresses as directed by one party to the other from time to time pursuant to this Section 15.

12. **NONWAIVER.** Any failure by the Disclosing Party to enforce the Receiving Party's strict performance of any provision of this Agreement shall not constitute a waiver of the Disclosing Party's right to subsequently enforce such provision or any other provision of this Agreement.

13. **GOVERNING LAW; ETC.** This Agreement shall be governed by internal laws of the State of Washington, without reference to its choice of law rules. The parties hereby irrevocably submit to the exclusive jurisdiction of the U.S. District Court for the Western district of Washington and any state court of competent jurisdiction in King County, Washington with respect to any dispute arising under this Agreement. If a provision of this Agreement is held invalid under any applicable law, such invalidity shall not affect any other provision of this Agreement that can be given effect without the invalid provision. All terms and conditions of this Agreement shall be deemed enforceable to the fullest extent permissible under applicable

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law, and, when necessary, the court is requested to reform any and all terms or conditions to give them such effect.

DATED this ____ day of _____, 2006.

(Signature of receiving party,)

(Print name and title)

By: _____
(Signature of disclosing party)

(Print name and title)