

**CONFIDENTIAL DISCLOSURE AGREEMENT**

This Agreement is made between \_\_\_\_\_ of \_\_\_\_\_,  
("Disclosee") and \_\_\_\_\_ ("Inventor/Discloser").

**RECITALS**

A. Inventor/Discloser has developed a proposal (the "Invention") relating to a \_\_\_\_\_.

B. Disclosee wishes to obtain the opportunity to receive information pertaining to the Invention in order to determine whether it wishes to enter into an agreement with Discloser relating to further development of, purchase of, assignment of rights therein, or supplying of services or components for the Invention.

C. Inventor/Discloser is willing to disclose information pertaining to the Invention to Disclosee under conditions of confidence.

**NOW, THEREFORE**, the parties hereby agree as follows:

1. This Agreement shall govern the treatment by Disclosee of information that is disclosed by Discloser to Disclosee in written or other tangible form (whether marked "Confidential", "Proprietary", "Private" or the like) or is disclosed by Discloser to Disclosee orally or by permitting visual inspection. Such information is referred to hereinafter as "Confidential Information".

2. For a period of \_\_\_\_\_ years from the effective date of this Agreement, Disclosee shall not disclose Confidential Information to a third party, or use Confidential Information for any purpose other than to evaluate the Invention in order to determine whether it wishes to enter into an agreement relating to the Invention, except with the express written consent of Discloser. Breach is remedied by damages for lost profits, both actual and potential. Commercial success of a similar product shall be prima facie evidence of potential value.

3. Disclosee shall not have any obligation under this Agreement with respect to any information:

(a) that is in the public domain at the time of disclosure by Discloser;

(b) that enters the public domain through no fault of Disclosee after the time of disclosure by Discloser;

(c) that is disclosed to Disclosee by a third party without restriction and without there having been a breach of an obligation of confidence owed to Discloser;

(d) that is known to Disclosee at the time of disclosure by Discloser, as shown by documentary evidence;

(e) With respect to events (b) and (c), Disclosee shall only be relieved of its obligations under this Agreement from the date of occurrence of the event.

4. This Agreement does not convey a license to Disclosee under any patents or patent applications of Discloser.

5. This Agreement shall be governed by, and construed in accordance with the laws of the state of \_\_\_\_\_, and any action or proceeding to establish or enforce rights under this Agreement may be brought in the courts in the state of \_\_\_\_\_. In the event that an action or proceeding is brought to establish or enforce rights under this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorney's fees, at trial and on appeal.

6. The effective date of this Agreement shall be \_\_\_\_\_, 200\_\_.

**IN WITNESS WHEREOF**, Disclosee has executed this Agreement, and Discloser has executed this Agreement.

\_\_\_\_\_  
Signature of Inventor/Discloser

\_\_\_\_\_  
Signature of Disclosee

Date: \_\_\_\_\_

Date: \_\_\_\_\_