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# Introduction and Definitions

This AI Model Licensing Agreement (the "Agreement") is made and entered into as of August 9, 2025, by and between DocuPal Demo, LLC, a company organized and existing under the laws of United States, with offices at 23 Main St, Anytown, CA 90210 ("Licensor"), and Acme, Inc, also known as ACME-1, a business organized and existing under the laws of United States, with offices at 3751 Illinois Avenue, Wilsonville, Oregon - 97070, USA ("Licensee").

## Purpose

This Agreement sets forth the terms and conditions under which Licensor grants to Licensee a limited license to use the AI Model, subject to the restrictions and obligations detailed herein.

## Definitions

For purposes of this Agreement, the following terms shall have the meanings set forth below:

- **AI Model:** Refers to Licensor's proprietary machine learning model designed for sentiment analysis of customer reviews, including all related algorithms, software, documentation, and updates provided by Licensor.
- **Licensee Data:** Means the data provided by Licensee to the AI Model for processing, including but not limited to customer reviews and associated metadata.
- **Derivatives:** Means any modification, improvement, adaptation, translation, or derivative work of the AI Model created by or for Licensee.
- **Confidential Information:** Means any information disclosed by either party to the other, either directly or indirectly, in writing, orally, or by inspection of tangible objects, which is designated as "Confidential" or which, by its nature, should reasonably be understood to be confidential. Confidential Information includes, but is not limited to, the AI Model, Licensee Data, trade secrets, know-how, business plans, and financial information.



# Grant of License and Usage Rights

DocuPal Demo, LLC grants to ACME-1 a non-exclusive, non-transferable license to use the AI Model. This license is subject to the terms and conditions outlined in this Agreement.

## Scope of License

The AI Model is licensed, not sold. ACME-1 receives the right to utilize the AI Model for its internal business operations. This includes, but is not limited to, [Intentionally Omitted for Brevity]. ACME-1 is not permitted to:

- Sublicense the AI Model to any third party.
- Modify, reverse engineer, or decompile the AI Model, except as permitted by applicable law.
- Use the AI Model to develop a competing product or service.
- Use the AI Model in any way that violates applicable laws or regulations.

## Permitted Use

ACME-1's use of the AI Model is specifically restricted to the retail sector. Any application of the AI Model outside of this industry is strictly prohibited and constitutes a breach of this Agreement. ACME-1 is responsible for ensuring that its use of the AI Model complies with all applicable laws and regulations, including data privacy laws.

## Term and Territory

This license is effective as of the Effective Date of this Agreement and continues for a term of three (3) years. The territory in which ACME-1 is authorized to use the AI Model is limited to the United States. Use of the AI Model outside of the United States is not permitted under this license.



# Fees, Payment Terms, and Royalties

## Licensing Fees

ACME-1 will pay DocuPal Demo, LLC a one-time, upfront licensing fee of \$50,000. This grants ACME-1 the rights as outlined in this AI Model Licensing Agreement.

## Payment Schedule

The full licensing fee of \$50,000 is due within thirty (30) days of the Effective Date of this Agreement. Payments must be made in United States Dollars (USD). DocuPal Demo, LLC will provide ACME-1 with an invoice for the licensing fee. Payment can be made via wire transfer or other mutually agreed upon method.

## Royalties

There are no ongoing royalties for ACME-1 under this agreement. The license is granted for the one-time fee payment above, without further charges based on usage or revenue.

# Intellectual Property Rights

DocuPal Demo, LLC retains all right, title, and interest in and to the AI Model. This includes all intellectual property rights.

## AI Model Ownership

DocuPal Demo, LLC owns the AI Model. This ownership extends to any derivatives of the AI Model.

## Derivative Works

ACME-1 acknowledges that any and all modifications, improvements, or derivative works made to the AI Model, regardless of who creates them, are the sole and exclusive property of DocuPal Demo, LLC. ACME-1 irrevocably assigns to DocuPal Demo, LLC all right, title, and interest it may have in any such modifications, improvements, or derivative works.



## Improvements and Modifications

DocuPal Demo, LLC has sole discretion over any improvements or modifications to the AI Model. ACME-1 has no right to receive any modifications. ACME-1 has no right to influence the direction of development.

## Licensor's Retained Rights

All intellectual property rights in the AI Model remain with DocuPal Demo, LLC. This agreement grants ACME-1 a limited license to use the AI Model. It does not transfer any ownership rights.

# Confidentiality and Data Protection

Both DocuPal Demo, LLC and ACME-1 acknowledge that during the term of this Agreement, they may have access to confidential information. This includes, but is not limited to, the AI Model's source code, algorithms, training data, and performance metrics. Both parties agree to protect this information.

## Confidentiality Obligations

The receiving party will use the same degree of care to protect the disclosing party's Confidential Information as it uses to protect its own confidential information of like nature. This degree of care will be at least reasonable care. The receiving party will not disclose the disclosing party's Confidential Information to any third party without prior written consent.

## Licensee Data

ACME-1 acknowledges and agrees that DocuPal Demo, LLC may use ACME-1's data to improve the AI Model's performance. DocuPal Demo, LLC will anonymize this data. This ensures that ACME-1's data cannot be linked back to ACME-1.

## Compliance

Both DocuPal Demo, LLC and ACME-1 will comply with all applicable data protection laws and regulations. These include, but are not limited to, the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA). Each



party is responsible for its own compliance.

## Support, Maintenance, and Updates

DocuPal Demo, LLC will provide initial setup support for ACME-1 for a period of thirty (30) days from the Effective Date. This support will be available to assist ACME-1 with the initial implementation and configuration of the AI Model.

### Bug Fixes

DocuPal Demo, LLC will address any reported bugs or errors in the AI Model. We will provide bug fixes within thirty (30) days of notification from ACME-1, provided that ACME-1 supplies sufficient detail and information for DocuPal Demo, LLC to reproduce and diagnose the issue.

### Model Updates

DocuPal Demo, LLC may, at its sole discretion, release updates, enhancements, or modifications to the AI Model. The timing, content, and availability of these updates are at DocuPal Demo, LLC's sole discretion. DocuPal Demo, LLC is not obligated to provide specific updates or new versions of the AI Model during the term of this Agreement.

## Warranties and Disclaimers

### Limited Warranty

DocuPal Demo, LLC warrants that the AI Model will perform with 90% accuracy based on the testing data provided. This is the only warranty provided for the AI Model's performance.

### Disclaimer of Liabilities

DocuPal Demo, LLC is not liable for any indirect, incidental, or consequential damages arising from ACME-1's use of the AI Model. This includes, but is not limited to, loss of profits, business interruption, or loss of data.





## Risk Allocation

Risk is allocated between DocuPal Demo, LLC and ACME-1 based on direct cause and proportionate fault. Each party is responsible for its own actions and omissions.

DocuPal Demo, LLC does not warrant that the AI Model is error-free or that it will operate without interruption. The AI Model is provided "as is" and "as available." DocuPal Demo, LLC disclaims all other warranties, express or implied, including warranties of merchantability, fitness for a particular purpose, and non-infringement. ACME-1 assumes all risks associated with the use of the AI Model.

## Limitation of Liability and Indemnification

### Limitation of Liability

DocuPal Demo, LLC's liability for any claims arising from this Agreement is limited. The total liability will not exceed the amount of licensing fees ACME-1 has paid. This limitation applies to all types of damages. It includes direct, indirect, incidental, and consequential damages.

### Indemnification

ACME-1 will indemnify DocuPal Demo, LLC against third-party claims. This indemnification covers claims arising from ACME-1's use of the AI Model. It includes claims related to infringement, misuse, or unauthorized access. ACME-1 will be responsible for all costs associated with such claims. These costs include legal fees and settlement expenses. DocuPal Demo, LLC will promptly notify ACME-1 of any such claim. DocuPal Demo, LLC will cooperate with ACME-1 in the defense of the claim.





# Term and Termination

## Term

This Agreement will begin on August 9, 2025, and continue for a term of three (3) years, unless terminated earlier as described in this section.

## Termination

Either party may terminate this Agreement if the other party materially breaches any of its obligations, and fails to cure such breach within thirty (30) days after receiving written notice of the breach.

## Effect of Termination

Upon termination of this Agreement for any reason, ACME-1 must cease all use of the AI Model. ACME-1 will also return or destroy all copies of the AI Model and related documentation in its possession or control. The following obligations will survive termination of this Agreement:

- Confidentiality obligations
- ACME-1's indemnification obligations
- The provisions governing applicable law and dispute resolution

# Governing Law and Dispute Resolution

This Agreement is governed by the laws of the State of Delaware, without regard to its conflict of laws principles.

## Dispute Resolution

Any dispute arising out of or relating to this Agreement will be resolved through binding arbitration. The arbitration will be conducted in accordance with the rules of the American Arbitration Association. The decision of the arbitrator will be final and binding on both parties. Each party will bear its own costs and expenses of the arbitration, and the parties will share equally the fees and expenses of the arbitrator. The location of arbitration will be Anytown, CA. This process is the exclusive means of resolving any conflict.



# Miscellaneous Provisions

## Assignment

Licensee may not assign its rights or obligations under this Agreement without the prior written consent of Licensor. Licensor may assign this Agreement to an affiliate or in connection with a merger, acquisition, or sale of all or substantially all of its assets.

## Notices

All notices relating to this Agreement must be in writing. Notices can be delivered by certified mail or email to the designated contacts for each party as specified in this Agreement.

## Amendments

This Agreement may only be amended by a written agreement signed by both Licensor and Licensee. No modification or waiver of any provision shall be effective unless it is in writing and signed by both parties.

## Entire Agreement

This Agreement constitutes the entire agreement between Licensor and Licensee. It supersedes all prior or contemporaneous communications and proposals, whether oral or written, relating to its subject matter.

