

AVS LICENSE AGREEMENT

This AVS License Agreement (“Agreement”) is entered into as of January 1, 2003 (the “Effective Date”) between Acacia Media Technologies Corporation (hereinafter “AMTC”), a Delaware corporation, with an address at 500 Newport Center Drive, 7th Floor, Newport Beach, CA 92660 Fax 949-480-8301, and _____, a _____ corporation with an address at _____ and Fax number _____ (hereinafter “Company”).

BACKGROUND

A. AMTC is the owner of a portfolio of certain U.S. and International patents and patent applications relating to certain systems and/or methods for transmitting and/or receiving digital audio, video, and audio-visual content (hereinafter “Audio/Video Technology”);

B. Licensed User (as defined in Section 1.5 below), owns or operates an age verification service(s) via Licensed User’s website(s) (“Licensed User’s Website(s)”) which advertises, offers memberships for sale, sells memberships, and provides access to websites that participate in Company’s age verification service(s) (“Member Websites”) that advertise, sell and/or provide access to adult-oriented, sexually explicit video, audio and/or audio-visual content (hereinafter called “Covered Content”) worldwide for transmission to, and receipt by, end-user customers (hereinafter “End-User Customers”);

C. AMTC alleges that the advertisement, offer for sale, sale of memberships, and access to Member Websites provided by Licensed User via its age verification service(s) on Licensed User’s website(s), in the absence of a license from AMTC, may constitute infringement of one or more claims of the Licensed Patents (as defined in Section 1.4 below) under one or more of the provisions of 35 U.S.C. § 271, including, but not limited to, §§ 271(a), (b), (c) and/or (g);

D. Licensed User desires to obtain a license under the Licensed Patents in connection with the activities on Licensed User’s Website(s) and the Member Websites.

NOW, THEREFORE, in consideration of the above premises and the mutual covenants of the parties to be faithfully performed, AMTC and Company (on Company’s own behalf and on behalf of Company’s Affiliates listed on Exhibit A attached hereto), intending to be legally bound, agree as follows:

1. DEFINITIONS

In addition to the terms defined above and elsewhere in this Agreement, as used in this Agreement:

AVS License Agreement (cont'd)

- 1.1 “Affiliate”** shall mean any enterprise (a company, person, or group of persons, whether incorporated or not) in which Company currently has greater than a fifty percent (50%) ownership interest. A true and complete listing of Company’s Affiliates is attached hereto as **Exhibit A**.
- 1.2 “Content Provider”** shall mean a person or entity that makes previews of Covered Content available via a website and/or transmits Covered Content to webmasters via the World Wide Web, Internet, or other download protocol.
- 1.3 “Covered Websites”** shall mean Licensed User’s Website(s) and Member Websites. A true and correct copy of the Licensed User’s Website(s) is attached to this Agreement as **Exhibit B**. A true and correct copy of the Member Websites is attached to this Agreement as **Exhibit C**.
- 1.4 “Licensed Patents”** shall mean the patents listed on **Exhibit D** to this Agreement, as well as any additional patents obtained by AMTC via any divisionals, continuations and continuations-in-part thereof, and any other patents hereafter acquired by AMTC in which the novelty and primary focus is the Audio/Video Technology.
- 1.5 “Licensed User”** shall mean Company and any Affiliates listed in Exhibit A.
- 1.6 “Third Party Host”** shall mean a person or entity, that is also not a Content Provider, that hosts the Covered Content on the Member Website’s behalf and transmits the Covered Content to End-User Customers obtained via the Covered Websites.

2. LICENSE

- 2.1 Grant of Limited Use License.** Subject to the provisions of Section 2.2 and Section 3, AMTC hereby grants to Licensed User a non-exclusive, non-transferable, non-assignable, limited use license under the Licensed Patents in the geographical areas covered by the Licensed Patents (“Limited Use License”) solely for the following purpose and use:

Advertising, offering for sale, selling memberships to, and providing access to Member Websites.

In certain instances, Member Websites may elect to utilize the services of a Third Party Host. In such instances, the Third Party Host may, on behalf such Member Website, transmit the Covered Content to End-User Customers pursuant to the Limited Use License granted to Licensed User in this Section 2.1, provided, however, that such license shall only apply to the transmission of Covered Content to End-User Customers who have been obtained via the Covered Websites. A separate license is necessary between the Third Party Host and AMTC to transmit the Covered Content to any End-User Customer obtained other than via the Covered

AVS License Agreement (cont'd)

Websites, including without limitation any End-User Customer obtained via a website owned by the Third Party Host.

- 2.2 Any Use Or Right Not Specifically Enumerated Is Excluded.** The Limited Use License defined by and granted in Section 2.1 is limited solely to the specified uses enumerated in Section 2.1. The license excludes any and all uses not specifically enumerated in Section 2.1. For example, and by way of example only, Licensed User is not granted any rights, by implication or otherwise, under the Licensed Patents to: (i) advertise, offer for sale, sell memberships, or provide access to any websites other than Member Websites and (ii) transmit Covered Content to non-Member Websites or other webmasters via the World Wide Web, Internet, or other download protocol.
- 2.3 [Left Intentionally Blank]**
- 2.4 Reserved Rights.** Any and all rights not explicitly granted to Licensed User in Section 2.1 above are expressly reserved by AMTC. No license or immunity as to the Licensed Patents is granted by AMTC to Licensed User, either by implication, estoppel, or otherwise, other than the Limited Use License specifically enumerated and expressly provided in Section 2.1 to Licensed User, and no license or immunity as to the Licensed Patents is granted by AMTC to webmasters or End-User Customers either by implication, estoppel, or otherwise.
- 2.5 No Sublicense Rights.** The Limited Use License granted to Licensed User in Section 2.1 above does not confer upon Licensed User the right to grant or otherwise transfer (via sublicense, assignment, or otherwise) any rights under the Licensed Patents to any other persons or entities for any purpose. Licensed User's rights under the Licensed Patents are limited to the specific uses set forth in Section 2.1.
- 2.6 Company Liable for Obligations of Affiliate.** Company is and shall remain primarily liable to AMTC for all of its Affiliates' obligations, covenants, representations and performance under each and every term and condition of this Agreement, including, but not limited to, the limitations and conditions of use (defined in Section 2.1 above), financial, audit and other obligations under this Agreement.
- 2.7 Conditional Release for Past Infringement.** Provided that Licensed User maintains compliance with all of the terms and conditions of this Agreement, and as part of the consideration being given to Licensed User hereunder, Licensed User is conditionally relieved from any liability Licensed User may have incurred prior to the Effective Date for infringement of the Licensed Patents solely by virtue of Licensed User's acts and uses specified in Section 2.1 above.

3. ROYALTIES AND AUDIT

3.1 Royalty. In consideration of the Limited Use License granted in Section 2.1 above, and the conditional release for past infringement set forth in Section 2.7 above, Licensed User shall pay AMTC a royalty (the "Royalty") payment equal to one percent (1%) of Licensed User's Gross Sales (as defined in Section 3.2 below) from the Effective Date through twelve (12) months after the Effective Date (such period, and any subsequent twelve (12) month period for which this Agreement is renewed, shall be referred to as a "Royalty Period"), and for each Royalty Period for which this Agreement is renewed thereafter. Licensed User's Gross Sales from the Effective Date through June 30, 2003 were \$_____. Contemporaneously with the execution of this Agreement, Licensed User shall pay AMTC a non-refundable Royalty payment of \$_____, which equals one percent (1%) of Licensed User's Gross Sales from the Effective Date through June 30, 2003. Within thirty (30) days of the end of each calendar quarter (beginning with the calendar quarter ending September 30, 2003), Licensed User shall make a Royalty payment to AMTC based upon Licensed User's actual Gross Sales for such calendar quarter.

3.2 Gross Sales. Gross Sales shall mean the gross dollar amount charged by Licensed User to End-User Customers for access to the Covered Websites, less Licensed User's actual credit card processing fees (not to exceed 20% of such amounts charged). With respect to sales to any person, firm, or corporation directly or indirectly controlling, controlled by, under common control with, or enjoying a specially favored course of dealing with Licensed User, Gross Sales shall be the amount which would have been charged on an arm's length sale to a bona fide third party. Licensed User has determined and acknowledges that a royalty based upon Licensed User's Gross Sales is an accurate and convenient means for measuring the value of the licensed activities defined in Section 2.1 above, and that in light of this royalty base, the Royalty amount has been adjusted accordingly.

3.3 [Left Intentionally Blank]

3.4 Royalty Payments. Any payment made pursuant to the provisions of this Agreement shall be paid in United States Dollars. Within thirty (30) days of the end of each calendar quarter, Licensed User shall send a statement to AMTC indicating Licensed User's actual Gross Sales for the preceding calendar quarter in reasonable detail. Such statement shall be certified by an employee, officer, or principal of Licensed User authorized to make such certification. In addition to the royalty payments set forth in Sections 3.1, Licensed User shall pay or reimburse AMTC for any and all taxes, such as sales, excise, value added, use taxes, and similar taxes of Licensed User (but not AMTC's U.S. or state income taxes), based upon payments made hereunder in a jurisdiction where such taxes are required. Any payment required hereunder that is more than ten (10) days late (including unpaid portions of amounts due) shall bear interest, compounded monthly, at the lesser of ten percent

AVS License Agreement (cont'd)

(10%) per annum, or the highest interest rate permitted to be charged by applicable law. If a payment due under this Agreement is made by Licensed User's check and the check is dishonored, such payment shall be deemed to not have been made, and AMTC may require subsequent payments to be made by cashier's check in immediately available funds.

- 3.5 Audit Rights.** Licensed User shall keep accurate records of Gross Sales for a period not to exceed five (5) years, unless in dispute, in which event they shall be kept until the later of when said dispute is settled and such five (5) year period. Such records shall be open during reasonable business hours and upon ten (10) days prior written notice, at the place where such records are customarily kept, for examination by AMTC or an agent of AMTC, for the sole purpose of verifying the accuracy of Licensed User's representations to AMTC regarding Licensed User's Gross Sales. The records available for inspection shall include, without limitation, any records indicating traffic to the Covered Websites. AMTC may exercise its rights of inspection hereunder no more than once per calendar year. In the event that any audit performed by AMTC or its agent reveals a royalty underpayment in excess of five percent (5%) for any Royalty Period, Licensed User shall bear the reasonable costs of such audit. Licensed User shall remit any underpaid royalty amounts due to AMTC, plus the costs of the audit if applicable, immediately upon receiving notice thereof.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 4.1 Representations, Warranties, and Covenants of Licensed User.** Licensed User represents, warrants, and covenants to AMTC that: (i) Exhibit B is an accurate and complete list of the websites legally owned by Licensed User via which Licensed User's age verification service(s) are accessed; (ii) Exhibit C is an accurate and complete list of the Member Websites; (iii) Licensed User will immediately notify AMTC in writing in the event that Licensed User acquires or develops additional websites legally owned by Licensed User via which Licensed User's age verification service(s) are accessed; (iv) Licensed User will notify AMTC in writing each quarter in the event that Licensed User adds or deletes Member Websites; (v) in the event that Licensed User contests or voluntarily assists others in contesting the validity of the Licensed Patents or AMTC's ownership thereof during the term of this Agreement, AMTC, upon written notice to Licensed User, may immediately terminate this Agreement and the license granted hereunder, and in the event that a final determination is made adjudicating any of the contested claims in AMTC's favor, Licensed User shall reimburse AMTC for the actual costs and expenses incurred by AMTC in contesting Licensed User's position; (vi) Licensed User is licensing each patent constituting the Licensed Patents for its own convenience, and this Agreement may not provide Licensed User all of the rights that Licensed User needs to utilize the Audio/Video Technology; and (vii) Licensed User has the full legal authority (on behalf of Company and any Affiliates) necessary to enter into this Agreement and perform the duties and obligations outlined in this Agreement.

4.2 Representations, Warranties, and Covenants of AMTC. AMTC represents and warrants that it (i) owns all right, title and interest in the Licensed Patents, and (ii) has the necessary rights, powers, and authority to enter into this Agreement. THE LICENSE GRANTED TO LICENSED USER BY AMTC IS GRANTED IN “AS IS/WHERE IS” CONDITION. OTHER THAN WITH RESPECT TO ITS OWNERSHIP OF THE LICENSED PATENTS, AMTC MAKES NO REPRESENTATIONS OR WARRANTIES TO LICENSED USER OF ANY KIND, INCLUDING WITHOUT LIMITATION, EXPRESS, IMPLIED, STATUTORY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PATENT ENFORCEABILITY, OR PATENT VALIDITY. IN ADDITION, AMTC MAKES NO REPRESENTATION THAT THE USE OF THE AUDIO/VIDEO TECHNOLOGY WILL NOT INFRINGE, DIRECTLY, CONTRIBUTARILY, OR BY INDUCEMENT, ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHT OF ANY THIRD PARTY. AMTC SHALL NOT BE LIABLE TO LICENSED USER FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, EVEN IF INFORMED OF THE POSSIBILITY THEREOF IN ADVANCE. THESE LIMITATIONS APPLY TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, FRAUD, MISREPRESENTATION AND OTHER TORTS, LOSS OF PROFIT, LOSS OF BUSINESS, LOSS OF SAVINGS OR OTHER LOSS.

5. CONFIDENTIALITY

5.1 Confidentiality. All information provided pursuant to this Agreement, including without limitation, the terms of this Agreement, and any sales or customer information provided by Licensed User to AMTC, shall be regarded as confidential information (“Confidential Information”). The parties agree that, other than as required by law, they shall not disclose any Confidential Information and shall use the Confidential Information only for the purposes set forth herein. Licensed User acknowledges that AMTC’s parent company, Acacia Research Corporation (“Acacia”), is a publicly traded company, and that Acacia may publicly disclose the signing of this Agreement, as well as certain terms of the Agreement. Confidential Information shall not include information that: (i) was already known, otherwise than under an agreement of secrecy or non-use, at the time of its disclosure; (ii) has passed into the public domain prior to or after its disclosure, otherwise than through any act or omission attributable to principals, officers, employees, consultants or agents of the disclosing party; or (iii) was subsequently disclosed, otherwise than under an agreement of secrecy or non-use, by a third party that had not acquired the information under an obligation of confidentiality.

6. TERM AND TERMINATION

- 6.1 Term.** This Agreement shall commence upon AMTC's countersignature of this Agreement after being signed by Licensed User, and shall terminate at the end of the first Royalty Period (the "Term"). Unless Licensed User or AMTC notifies the other party in writing of its intent not to renew this Agreement at least forty-five (45) days prior to the expiration of the then current Term, this Agreement shall automatically renew for another one (1) year term and shall terminate at the end of the subsequent Royalty Period. This Agreement shall automatically terminate upon the expiration of the last to expire of the Licensed Patents. Notwithstanding the foregoing, in the event that all of the Licensed Patents are held to be invalid by a non-appealable final order by a Court of competent jurisdiction, such that no surviving claims of the Licensed Patents cover the sale, offer for sale, advertisement, access to, and/or transmission of Covered Content, this Agreement shall automatically terminate and Licensed User shall have no obligation to make any additional Royalty payments to AMTC, provided, however, that AMTC shall have no obligation to refund any Royalty payments received from Licensed User for any reason whatsoever.
- 6.2 Termination.** Notwithstanding Section 6.1 above, AMTC may terminate this Agreement upon thirty (30) days written notice to Licensed User upon the breach by Licensed User of any of the terms and conditions of this Agreement. Upon the termination of this Agreement for any reason, Licensed User shall immediately stop any and all acts or uses of the Audio/Video Technology that would constitute infringement of any claim of the Licensed Patents under one or more of the provisions of 35 U.S.C. § 271, including, but not limited to, §§ 271(a), (b), (c) and/or (g).

7. MISCELLANEOUS

- 7.1 Indemnification by Licensed User.** Licensed User shall indemnify and hold harmless AMTC and its affiliates, principals, employees, officers, directors, consultants, stockholders, representatives and agents, successors and assigns (an "AMTC Indemnified Party") from and against all claims, disputes, debts, controversies, obligations, judgments, demands, liens, causes of action, liability, loss, damages, costs and expenses (including reasonable attorneys' fees and expenses of litigation) (collectively, "Claims") which an AMTC Indemnified Party may incur, suffer or be required to pay resulting from or arising in connection with the breach by Licensed User of any covenant or other provision contained in this Agreement, or any Claims arising out of or relating to any action or inaction by Licensed User in connection with this Agreement or the Covered Websites. An AMTC Indemnified Party may retain counsel, as necessary, to defend against any such Claims.

AVS License Agreement (cont'd)

- 7.2 Non-Agency.** Nothing in this Agreement is intended or shall be deemed to constitute a partnership, agency, employer-employee, or joint venture relationship between the AMTC and Licensed User. Neither AMTC nor Licensed User shall incur any debts or make any commitments for the other.
- 7.3 Entire Agreement, Amendments, and Waivers.** This Agreement constitutes and contains the entire agreement between AMTC and Licensed User, and supersedes any and all prior negotiations, conversations, correspondence, understandings, and letters respecting the subject matter hereof. This Agreement may be amended or modified or one or more provisions hereof waived only by a written instrument signed by the parties. No delay or omission by any party in exercising any right or power arising from any default by the other party shall be construed as a waiver of such default, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right or power arising from any default by a party. No waiver of any breach of any covenant or other condition shall be construed to be a waiver of or consent to any previous or subsequent breach of the same or of any other covenant or condition.
- 7.4 Severability and Captions.** If one or more provisions of this Agreement are held to be invalid or unenforceable under applicable law, such provision shall be excluded from this Agreement and the balance of the Agreement shall be interpreted as if such provision were so excluded. In the event a part or provision of this Agreement is held to be invalid or unenforceable or in conflict with law for any reason, the parties shall replace any invalid part or provision with a valid provision which most closely approximates the intent and economic effect of the invalid provision. The captions to this Agreement are for convenience only and are to be of no force or effect in construing and interpreting the provisions of this Agreement.
- 7.5 Governing Law and Consent to Jurisdiction.** This Agreement shall be governed by and construed under applicable federal law and the laws of the State of California, excluding any conflict of law provisions. Licensed User and AMTC each irrevocably consent to the exclusive jurisdiction of any California state or federal court sitting in the Central District of California, over any suit, action or proceeding arising out of or relating to this Agreement. AMTC and Licensed User hereby waive personal service of any summons, complaint, or other process in any action in any California state or federal court sitting in the Central District of California, and agree that all service thereof may be made by (i) certified or registered mail, return receipt requested, to the other party's address identified in the opening paragraph of this Agreement; (ii) by facsimile to other party's facsimile number identified in the opening paragraph of this Agreement (or other facsimile number identified in writing by the parties for such purpose); or (iii) by such other method as if authorized by the California Long Arm Statute.
- 7.6 Notices.** Any notice required or permitted under this Agreement shall be given in writing and shall be sent via overnight carrier, or via facsimile and regular mail, to

AVS License Agreement (cont'd)

the addresses and fax numbers indicated in the opening paragraph of this Agreement above. Payment information shall be sent to the attention of Accounts Receivable Department of AMTC and all other notices to AMTC shall be sent to the attention of Robert Berman, Senior Vice President, AMTC.

7.7 Third Party Beneficiaries and Assignment. Nothing in this Agreement shall be construed to give rise to any obligation on either party hereto for the benefit of a third party or to confer any rights on any party other than AMTC or Licensed User. Licensed User may not assign, delegate, sell, transfer, sublicense or otherwise dispose of, voluntarily or involuntarily, by operation of law or otherwise, any or all of its rights or obligations under this Agreement to any other person, business or entity.

7.8 Survival. Sections 3.5, 4.1, 4.2, 5.1, 7.1, 7.3, 7.5 and 7.7 of this Agreement shall survive the expiration or termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

Acacia Media Technologies Corporation

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Email Address: _____

Exhibit A

List of Affiliates

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

Legal Name: _____

Address: _____

Phone: _____

Contact: _____

We have no Affiliates _____
initials

Exhibit B

Licensed User Websites (sites legally owned by Licensed User)

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

www. _____

Exhibit C

Member Websites (sites participating in Licensed User's AVS)

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

WWW. _____

Exhibit D

Licensed Patents

United States·····U.S. Patent No. 5,132,992
United States·····U.S. Patent No. 5,253,275
United States·····U.S. Patent No. 5,550,863
United States·····U.S. Patent No. 6,002,720
United States·····U.S. Patent No. 6,144,702
Taiwan····· Taiwan Patent No. 72821
Mexico····· Mexican Patent No. 180038
Japan····· Japanese Patent No. 4-504433
Belgium····· EP 0 566 662
Switzerland·····EP 0 566 662
France·····EP 0 566 662
Italy····· EP 0 566 662
Luxembourg····· EP 0 566 662
Monaco····· EP 0 566 662
Netherlands····· EP 0 566 662
Sweden····· EP 0 566 662
Great Britain·····EP 0 566 662
Greece····· GR3032463T3
Spain·····ES2138968T3
Denmark·····DK566662T3
Germany·····DE69230250T2
Austria····· AT186437E
European Patent Office·····European Patent No. EP 0 566 662 B1
European Patent Office·····European Patent Application
Publication No. EP 0 933 892 A3