

MUTUAL NONDISCLOSURE AGREEMENT

This agreement is made and entered into effective _____ by and between Application Research Inc a California Corporation, and _____.

The parties for their mutual benefit, have disclosed or may disclose to one another certain confidential and valuable business and/or technical information ("Confidential Information"), which Confidential Information is proprietary to the party disclosing such information (the "Disclosing Party"), or to its affiliated companies. In order to protect the proprietary and confidential nature of Confidential Information, the parties agree as follows.

1. The party receiving any Confidential Information of the Disclosing Party and/or the receiving party's assigns or successors in interest (the "Receiving Party") shall hold such Confidential Information in confidence and shall use it only for the purpose of determining whether to enter into a business relationship with the Disclosing Party or for the purpose of performing any obligations pursuant to such business relationship(s) as the parties may agree to. The Receiving Party shall hold Confidential Information under the highest possible confidentiality reasonably available to it, but in no event at least as great as the care the Disclosing Party normally takes to preserve its own proprietary or confidential information of a similar nature. The Receiving Party shall use Confidential Information to their employees and employees of their affiliated companies on a need-to-know basis, and shall ensure that the employees to whom Confidential Information is disclosed are subject to the restriction identified herein. The Receiving Party shall not disclose any Confidential Information to any other party without prior written approval of the Disclosing Party. The Receiving Party shall immediately notify the Disclosing Party of any unauthorized release of Confidential Information and shall make all efforts to retrieve and recover all such improperly released Confidential Information.
2. All Confidential Information that is in writing or other tangible form shall be clearly marked by the Disclosing Party with a designation indicating that it is proprietary or confidential. Confidential Information that is not in tangible form shall be designated in a manner reasonably designed to inform the Receiving Party that the information is proprietary or confidential by means including but not limited to clearly marking any diskettes, computer tapes, or other storage media with a designation that the information contained therein is proprietary or confidential, or by providing the Receiving Party with a written summary which describes the intangible information and indicated that it is proprietary or confidential.
3. The restriction on the use or disclosure of Confidential Information shall not apply to any information that the Receiving Party can document is or was.
 - a. Independently developed by the Receiving Party or their affiliated companies prior to the time of disclosure;
 - b. In the public domain without breach of this Agreement and through no fault of the Receiving Party or their affiliated companies;
 - c. At the time of disclosure to the Receiving Party properly known to such party or their affiliated companies free of restriction or lawfully received free of restriction from another source having the right to so furnish such information; or
 - d. Which the Disclosing Party agrees in writing is free of such restrictions.
4. No license under any trademark, patent, copyright, mask work protection right or any other intellectual property right is either granted or implied by the conveying of Confidential Information from the Disclosing Party to the Receiving Party. The disclosure, receipt, or exchange of Confidential Information does not constitute any representation, warranty, assurance, guarantee or inducement by the Disclosing Party to the Receiving Party or vice versa of any kind with respect to the non-infringement of trademarks, patents, copyrights, mask work protection rights, other intellectual property rights, or other rights of the parties or other persons.

MUTUAL NONDISCLOSURE AGREEMENT

5. Other than as expressly stated herein, neither this Agreement nor the disclosure or receipt of Confidential Information shall constitute or imply any promise or intention to enter any contract, agreement, partnership, joint venture, or other business relationship or to make any purchase or sale of products, services, or any other commitment by or between any of the parties or their affiliated companies. Absent agreement of the parties, neither this Agreement nor the disclosure or receipt of Confidential Information shall obligate either party to disclose any additional information.
6. All Confidential Information shall remain the property of the Disclosing Party and shall be promptly returned, or destroyed, upon written request or upon the Receiving Party's determination that they no longer have a need for such Confidential Information. Absent written instructions otherwise from the Disclosing Party, no later than five (5) years from the date of disclosure of any Confidential Information, the Receiving Party shall return, or destroy, such Confidential Information to the Disclosing Party.
7. Each party agrees that all of its obligations undertaken herein shall survive and continue after any termination of this Agreement. Should any part of this Agreement be held unenforceable or invalid, all other parts shall remain in full force and effect.
8. This Agreement constitutes the entire understanding between the parties hereto with respect to Confidential Information.
9. No amendment or modification of this Agreement shall be valid or binding on the parties unless made in writing and signed on behalf of each of the parties by their respective duly authorized officers or representatives.
10. This Agreement shall be governed and interpreted under the laws of the State of California. The parties hereby agree that the exclusive venue for any dispute regarding this Agreement shall be in the United States District Court for the Central District of California. The parties hereby acknowledge the unique nature of the Confidential Information, that any actual or threatened disclosure of Confidential Information in violation of the terms of this Agreement will cause substantial and irreparable harm to the Disclosing Party, and that the Disclosing Party is entitled to preliminary injunctive relief to prevent actual or threatened disclosure of Confidential Information in addition to any other legal remedy available to it.

IN WITNESS THEREOF, the parties have executed this Agreement by their duly authorized officers or representatives.

Application Research Inc.

	Company Name
_____	_____
Signature	Signature
_____	_____
Title	Title
_____	_____
Date	Date