

# iCopyright Services Agreement

## iCopyright, Inc.

This is a binding legal agreement between You (hereinafter referred to as "You" and "Publisher") and iCopyright. You represent that you are at least eighteen (18) years of age. If You are acting on behalf of an organization and you have the authority to enter into this Agreement on its behalf, You warrant and represent that You have such authority and that the organization shall be bound by all of these terms, and the term "Publisher" shall then refer to your organization. By clicking to electronically indicate its consent to this Agreement, Publisher represents that it has read and understands the following Services Agreement and that it is bound by its terms. By doing so, Publisher further agrees to the use of electronic communications in order to enter into contracts and place orders and to the electronic delivery of notices, policies and records of transactions initiated or completed through the iCopyright Service. Furthermore, Publisher hereby waives any rights or requirements under any laws or regulations in any jurisdiction, which require an original (non-electronic) signature or delivery or retention of non-electronic records, to the extent permitted under applicable law.

## 1. Service Implementation

**1.1 Service Description.** The iCopyright Service (the "Service") promotes and facilitates Instant Licenses, Custom Licenses, Advertising Supported Free Uses, and other services with regard to digital content delivered over the Internet as described in Schedule C. The Service enables readers ("End Users") to click on iCopyright Tags that Publisher has placed (or has authorized iCopyright or others to place) on web pages. "iCopyright Tags" are hyperlinks consisting of iCopyright's trademark logo design and toolbar (as depicted in Exhibit A) and/or other words or icons, together with fragments of HTML or Javascript that, when clicked, redirect the End User to the iCopyright Service and display in a new window the information (including information supplied by Publisher) needed to fulfill copyright permission requests and free uses, and obtain licenses. The Service may be co-branded with the Publisher's corporate and/or publication logos, and with a "powered by iCopyright" mark. Publisher and iCopyright use a web-based administrative dashboard ("Conductor") supplied by iCopyright to establish, modify and communicate the terms of the iCopyright Service, including Publisher's licensing and permissions terms, and to manage the features of the Service as described in Schedule C.

### 1.2 Authorization.

(a) Publisher hereby subscribes to the Service and authorizes iCopyright to take actions necessary or desirable to perform the Service, which authorization shall include, without limitation, the right to: (i) Transact licenses and deliver licensed content of of publications listed in Schedule A ("Publications") according to the Business Rules established by a Publisher or iCopyright in the Conductor dashboard; (ii) Direct requests for Custom Licenses and other services requiring human intervention, initiated from the iCopyright Tag, to email addresses or to URLs designated by Publisher, except for Delivered Prints which shall be managed and fulfilled by iCopyright or a third party acting as iCopyright's agent; and (iii) Insert advertisements into Advertising Supported Free Uses initiated from the iCopyright Tag, provided that Publisher receives a share of the advertising impressions from this usage as outlined in Schedule B of this Agreement.

(b) Publisher grants to iCopyright the right to retrieve from its content management system the content being requested by the End User to fulfill the Service.

(c) Publisher grants to iCopyright the right to promote Publisher's content through its licensing and syndication portal as described in Schedule C.

**1.3 End User License Agreement.** Publisher may upload its own form of End User License Agreement or may use the default form already in Conductor which Publisher is deemed to approve if an alternative form

is not uploaded. iCopyright shall have End Users accept Publisher's End User License Agreement before licenses are granted and delivered.

**1.4 Business Rules.** Publisher's copyrighted content shall be made available through the Service according to the Business Rules set in the Conductor dashboard. Publisher may modify such business rules in Conductor at any time, and in the absence of such modification by Publisher the Business Rules set by iCopyright shall apply. Business Rules include the types of licenses the publisher will grant, the prices of the licenses, their duration, and any other parameters described in Schedule C or offered in Conductor.

**1.5 Price Optimizer.** iCopyright's Price Optimizer seeks to improve Publisher revenue by running a live pricing test. During the test period, Price Optimizer periodically changes Instant License prices, and records the revenue results to determine which pricing levels generate more revenue. Publisher may activate Price Optimizer. Publisher also authorizes (but does not oblige) iCopyright to activate Price Optimizer from time to time, and recognizes this will temporarily result in prices different from those that may have been set by publisher. If Price Optimizer identifies prices which generate more revenue for a given Instant License service, iCopyright is authorized (but not required) to implement those (or similar) prices in lieu of the prices that had been in place prior to the test.

**1.6 Tagging.** Publisher shall affix to its content, or arrange or approve to have affixed, an iCopyright Tag in one or more prominent locations on the content to be licensed for the purpose of implementing the iCopyright Service. Publisher shall maintain the iCopyright Tags so that they link properly to iCopyright's servers. iCopyright grants to Publisher a worldwide, non-exclusive, royalty-free license to reproduce and display the iCopyright Tag, as provided by iCopyright, on the Publications. Publisher agrees not to use the iCopyright Tag for any other purposes, or knowingly allow any other party to use it, without written authorization from iCopyright; provided, however, that Publisher or iCopyright may apply the iCopyright Tag to distributed or syndicated copies of the Publications hosted by third parties in accordance with iCopyright's instructions in Conductor. iCopyright may terminate Publisher's right to use the iCopyright Tags in the event that it is used in violation of this Agreement.

Publisher shall not apply the iCopyright Tag on content to which Publisher does not own the rights to license or relicense. Publisher shall promptly notify iCopyright of any dispute or changes in Publisher's rights to any previously Tagged Content. If previously Tagged Content is discovered by Publisher to be a disputed work, iCopyright and Publisher shall cooperate (at Publisher's sole expense) to minimize potential damages associated with such content and iCopyright shall have the right to remove such content from the iCopyright Service. Upon request of Publisher, iCopyright shall assist Publisher in notifying licensees of such content that their licenses are revoked. Publisher shall, upon reasonable request, provide iCopyright with proof of ownership or license in any Tagged Content.

### 1.7 Syndication Module – Tag-Only Syndication.

(a) **Publisher's Use of the Syndication Module as a Content Producer.** Publisher authorizes iCopyright to assist Content Distributors (as such term is defined in Schedule C) with whom it has executed Syndication Agreements (as defined in Schedule C) in the Syndication module in Conductor to tag Publisher's content and to offer the iCopyright Service. Publisher agrees that iCopyright is not a party to any separate agreements between Publisher and Content Distributors and that iCopyright is under no obligation to verify whether such agreements exist or are valid or the scope of the parties' rights thereunder. Publisher agrees that the obligation to cease tagging Publisher's content upon termination of a Syndication Agreement between Publisher and Content Distributors rests solely with Content Distributor, and not with iCopyright, although if Publisher terminates the Syndication Agreement via Conductor, iCopyright will send an e-mail to

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the related Content Distributor informing it of the termination and that it must cease tagging Publisher's content.

iCopyright shall be entitled to receive the same revenue share for Publisher's content licensed through Content Distributors as iCopyright would receive for Content Distributor's own content distributed on its website. iCopyright shall pay Publisher and Content Distributors their share of licensing Net Revenue for licenses of Publisher's content made through Content Distributor's websites. All obligations of iCopyright to distribute revenue shares are subject to prior receipt by iCopyright of the related customer payment.

(b) Publisher's Use of the Syndication Module as a Content Distributor. Publisher authorizes iCopyright to assist it in tagging content Publisher receives from Content Producers (as such term is defined in Schedule C) and iCopyright authorizes Publisher to offer the iCopyright services on that content. Publisher agrees to tag only content that is properly licensed and for which Publisher and Content Producers have executed a mutually binding Syndication Agreement in Conductor authorizing such tagging, and to cease such tagging if the relevant agreements terminate. Publisher, not iCopyright or Content Producers, has sole responsibility for verifying that Publisher has properly licensed the content displayed on Publisher's websites.

Publisher agrees that iCopyright is not a party to any separate agreements between Publisher and its Content Producers and that iCopyright is under no obligation to verify whether such agreements exist or are valid or the scope of the parties' rights thereunder.

iCopyright shall be entitled to receive the same revenue share for Content Producers' content licensed through Publisher as iCopyright would receive for Publisher's own content distributed via the iCopyright system. iCopyright shall pay Publisher and Content Producer their share of licensing Net Revenue for licenses of Content Producer's content made through Publisher's websites. All obligations of iCopyright to distribute revenue shares are subject to prior receipt by iCopyright of the related customer payment.

**1.8 Syndication Module – repubHub.** repubHub is a centralized content portal which allows prospective republishers to search for content of interest, obtain the rights to republish such articles, and to subscribe to alerts and feeds of articles of potential interest. Unless it has turned off the service in Conductor, Publisher consents to its content being searchable and republishable from iCopyright's centralized content portal repubHub on the terms set in Conductor for each of the various republication services.

**1.9 Support.** Publisher and iCopyright shall use their best commercial efforts to cooperate to ensure that the Service performs as contemplated. The Publisher contact responsible for resolving open business or technical issues shall be as indicated in Schedule A.

## 2. Service Access, Reporting and Fees

**2.1 License Tracking.** iCopyright shall process and fulfill requests for Free Uses and Instant Licenses, and shall forward Custom License requests as specified by Publisher in Conductor. Licenses shall be granted to third party licensees by using the applicable Business Rules in Section 1.4 and in accordance with the End User License Agreement in Section 1.3. Completed transactions shall be assigned a license tracking ID number and stored in the iCopyright License database. This database can be accessed via the Internet by Publisher from Conductor and by the End Users that are granted licenses, as proof of license.

**2.2 Access.** iCopyright shall not be responsible for lack of access to the Service or the availability of any site linked to the Service, but shall use commercially reasonable efforts to ensure that the Service and links continue to function properly.

**2.3 Design and Custom Features.** iCopyright shall use Publisher's logos, design, layouts, and any other graphical elements required to fulfill End User requests, as specified by Publisher in Conductor. Publisher shall pay iCopyright's prevailing rates for custom feature requests.

**2.4 Caching.** iCopyright may cache, or store, a digital copy of the Tagged Content accessed through the Service. When the "Save" feature is enabled in Conductor, iCopyright shall also allow End Users to save a copy of publisher's content to an iCopyright-hosted personal reading room.

Many licenses have no expiration date and therefore remain valid after this agreement is terminated. iCopyright is authorized to retain copies of Publisher content indefinitely, even after termination, in order to continue to support licenses issued during the term of the agreement. Such continued support, however, is solely at the option of iCopyright.

**2.5 Reporting, Audit, Fees, Revenue Sharing and Payments.** Fees, revenue sharing, and payments shall be as specified in Schedule B. iCopyright shall provide Publisher with monthly reports on payments due Publisher under Schedule B. Publisher shall report its completed Custom License sales to iCopyright at least monthly by updating leads in Conductor, and remit to iCopyright its share of any amounts attributable to completed reprint sales and other Custom Licenses that were forwarded to Publisher or its agent via the iCopyright Service. Records of revenues and licenses granted pursuant to this Agreement shall be maintained for three years by both parties. Both parties shall be entitled to audit the other's records once per 12-month period to verify compliance with this Agreement, using an independent auditor, during normal business hours and upon reasonable notice to the party to be audited. The party requesting the audit shall bear all fees and expenses charged by such auditor unless the amounts paid by the other party are determined to be less than ninety-five percent (95%) of the amount payable pursuant to this Agreement, in which case the defaulting party shall be responsible for the payment of the reasonable fees and expenses actually incurred for such inspection. In addition, said defaulting party shall pay to the other one hundred and ten percent (110%) of the shortfall amount that was payable pursuant to this Agreement within 30 days of receipt of notice thereof.

## 3. Term and Termination

**3.1 Term and Termination.** The term of this Agreement shall commence upon acceptance by Publisher of this Agreement. It may be terminated by either party at any time. Upon termination, Publisher shall cease using the iCopyright Tags or iCopyright's Marks and promptly remove them from its content and web pages.

## 4. Confidentiality

**4.1 "Confidential Information"** means any information disclosed by either party to the other party, directly or indirectly, in writing, orally, or by inspection of tangible objects, that is designated as "Confidential," "Proprietary," or some similar designation. Information communicated orally shall be considered Confidential Information if such information is confirmed in writing as being Confidential Information within a reasonable time after the initial disclosure. The Proprietary Technology and iCopyright's Technical Manual shall be treated as iCopyright's Confidential Information, whether designated as Confidential or not. Publisher's proprietary technology, the terms of this Agreement, business practices of either party, and future business plans and services shall be treated as Confidential Information, whether designated as Confidential or not. Revenue reports, lists of End User contact information and the content of any report provided under this Agreement shall be treated as Confidential if marked "Confidential". Confidential Information shall not include any information that (a) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (b) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (c) is already in the possession of the receiving party at the time of disclosure by the disclosing party,

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as shown by the receiving party's files and records; (d) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; or (e) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents or other competent evidence in the receiving party's possession. The terms and conditions of this Agreement and any reports or other information delivered by iCopyright to the other party pursuant to this Agreement including revenue reports are Confidential Information of iCopyright.

**4.2 Non-use and Non-disclosure.** Neither party shall use the other party's Confidential Information for any purpose except to perform its obligations under this Agreement. Neither party shall disclose the other party's Confidential Information to third parties or to its employees or advisors, except to those employees or advisors of the receiving party who are required to have the information in order for that party to perform its obligations under this Agreement. The receiving party may disclose the other party's Confidential Information if required by law, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure. iCopyright agrees that (i) Publisher may disclose the terms and conditions of this Agreement, and any reports or other information delivered by iCopyright to Publisher pursuant to this Agreement, to those employees of Publisher whose job functions involve accounting, tax, financial reporting or oversight of the business relationship set forth herein, and (ii) Publisher may use such information as necessary to maintain accurate books and records and prepare and file accurate financial reports and tax filings.

**4.3 Maintenance of Confidentiality.** Each party shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the other party's Confidential Information. Without limiting the foregoing, each party shall take at least those measures that it takes to protect its own most highly confidential information. Neither party shall make any copies of the other party's Confidential Information unless expressly permitted by this Agreement or approved in writing by the other party. Each party shall reproduce the other party's proprietary rights notices on any copies.

**4.4 Return of Materials.** All documents and other tangible objects containing or representing Confidential Information and all copies of the Confidential Information shall be and remain the property of the disclosing party. Upon the other party's request, the receiving party shall promptly deliver to the disclosing party all Confidential Information, without retaining any copies.

All electronic files and other intangible objects containing or representing Confidential Information and all copies of the Confidential Information shall be and remain the property of the disclosing party. Upon the other party's request, the receiving party shall promptly destroy or otherwise purge from their computer and/or other system(s) the Confidential Information (except to the extent needed to comply with legal and accounting requirements), certifying such in writing to the disclosing party without retaining any copies.

## 5. Promotion of Service

**5.1** iCopyright and Publisher each grant the other party a non-transferable, non-exclusive worldwide license to use and reproduce the other party's Marks on web sites and any other materials created to promote the relationship between Publisher and iCopyright and to direct prospective End Users to the Service. Use of the other party's Marks in marketing-related materials, other than to identify the party as a company that provides (in the case of iCopyright) or subscribes to (in the case of Publisher) the iCopyright Services, shall be subject to advance written approval, which shall not be unreasonably withheld. Both parties shall comply with all reasonable written guidelines, if any, concerning the use or reproduction of the other party's Marks. Neither party shall challenge or assist others to challenge the other party's ownership or registration of its respective Marks.

## 6. Representations, Warranties and Disclaimers

**6.1 iCopyright.** iCopyright represents and warrants that (a) it shall appropriately operate the Service as specified in this Agreement in accordance with industry standards (b) the execution, delivery, and performance of this Agreement does not and will not violate rights granted by iCopyright to any third party, the provisions of any agreement to which it is a party, or any applicable law, rule or regulation, and (c) it will use industry standard measures to prevent transmission to Publisher of viruses, worms, Trojan horses or other code that manifests contaminating or destructive properties. . EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, AND NOTWITHSTANDING ANY STATED INDEMNIFICATIONS IN THIS AGREEMENT, THE SERVICE IS PROVIDED "AS IS" AND WITHOUT ANY OTHER WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED. ICOPYRIGHT SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND TITLE. ICOPYRIGHT DOES NOT WARRANT THAT THE USE AND OPERATION OF THE SERVICE WILL BE UNINTERRUPTED OR ERROR-FREE.

**6.2 Publisher.** Publisher represents and warrants that (a) it has obtained and will maintain all rights necessary to grant the licenses and rights granted in this Agreement, including but not limited to the rights necessary to authorize iCopyright to operate the Service on Publisher's behalf and to license the Tagged Content; (b) the execution, delivery, and performance of this Agreement does not and will not violate rights granted by Publisher to any third party, the provisions of any agreement to which it is a party, or any applicable law, rule or regulation; and (c) it will use industry standard measures to prevent transmission to iCopyright of viruses, worms, Trojan horses or other code that manifests contaminating or destructive properties..

## 7. Limitation of Liability

**7.1 LIABILITY DISCLAIMER.** NOTWITHSTANDING ANY STATED INDEMNIFICATION IN THIS AGREEMENT, ICOPYRIGHT'S LIABILITY UNDER THIS AGREEMENT IS LIMITED TO THE AGGREGATE AMOUNT OF ICOPYRIGHT'S SHARE OF LICENSE FEES RECEIVED PURSUANT TO THIS AGREEMENT BY ICOPYRIGHT DURING THE YEAR PRECEDING THE EVENT OUT OF WHICH LIABILITY AROSE. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, ICOPYRIGHT EXPRESSLY DISCLAIMS LIABILITY FOR INAPPROPRIATE OR ILLEGAL USES OF COPYRIGHTED MATERIAL OBTAINED THROUGH THE SERVICE BY END USERS OR OTHER THIRD PARTIES AND DOES NOT ACCEPT ANY RESPONSIBILITY TO MONITOR OR ENFORCE ANY LICENSE THAT IT GRANTS THROUGH THE SERVICE.

**7.2 NO CONSEQUENTIAL DAMAGES.** NEITHER PARTY NOR ANY OF ITS EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, AFFILIATES OR SERVICE PROVIDERS SHALL BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES ARISING OUT OF USE OF THE SERVICE, THE INABILITY TO GAIN ACCESS TO THE ICOPYRIGHT WEB SITE OR ANY OTHER CLAIM UNDER THIS AGREEMENT.

## 8. Third Party Claims--Indemnification

**8.1 Publisher.** Publisher waives, and releases iCopyright, its officers, directors, employees, agents, attorneys, successors, assigns, parents, subsidiaries and affiliated entities from, and shall indemnify and hold each of them harmless against, any and all claims, causes of action, liability and damages arising from or in any way relating to (a) Publisher's breach of this Agreement, including but not limited to a breach of any of the representations and warranties of Publisher in this Agreement (b) Publisher's breach of the End User Copyright License Agreement, (c) the rights to Tagged Content, (d) any improper use of Publisher's content by Content Distributors, any improper use of Content Producer's content by Publisher, and any disputes with

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Content Producers or Content Distributors or (e) any notice or other communication sent by Publisher to a third party using the iCopyright system.

**8.2 iCopyright.** iCopyright waives, and releases Publisher, its officers, directors, employees, agents, attorneys, successors, assigns, parents, subsidiaries and affiliated entities from, and shall indemnify and hold each of them harmless against, any and all claims, causes of action, liability and damages arising from or in any way relating to (a) iCopyright's breach of this Agreement, including but not limited to a breach of any of the representations and warranties of iCopyright in this Agreement, or (b) the Proprietary Technology infringing or misappropriating the copyright, trademark, patent or trade secret rights of a third party.

## 9. Miscellaneous Provisions

**9.1 Proprietary Rights.** iCopyright is the exclusive owner and shall retain all right, title, and interest in its Tag and the proprietary technology, including all intellectual property rights therein and thereto. iCopyright shall also own all information, data, compilations, and processes resulting from iCopyright's operation of the Service. iCopyright does not grant to Publisher any right or license, express or implied, in the proprietary technology of the Service.

**9.2 Severability and Survival.** If any part or provision of this Agreement is held to be unenforceable for any purpose, the remainder of the Agreement shall remain valid and enforceable. The following provisions shall survive any termination or expiration of this Agreement: Sections 2.4, 4, 7, 8 and 9.

**9.3 Relationship of the Parties.** Publisher and iCopyright are independent contractors, and nothing in this Agreement shall be construed to create a partnership, joint venture, or agency relationship between them. Neither has authority to enter into agreements on behalf of the other or to make any binding commitment on behalf of the other, except for the issuance of licenses as anticipated under this Agreement.

**9.4 Governing Law; Arbitration.** This Agreement shall be governed by and construed in accordance with the laws of the State of Washington, without regard to conflicts of law principles. Any dispute under this agreement shall be submitted to binding arbitration in King County, Washington before a single arbitrator. The American Arbitration Association shall administer any arbitration under its Commercial Arbitration Rules. All statutes of limitations applicable to any dispute shall apply to any arbitration between iCopyright and Publisher. Any judgment award made in arbitration may be enforced in any court of competent jurisdiction. Arbitration is final and binding on the parties. iCopyright and Publisher each are waiving their right to seek remedies in court, including the right to jury trial.

**9.5 Delay.** If either party is unable to perform any of its obligations under this Agreement due to any cause beyond its reasonable control, such party's performance shall be excused and, if performance is still possible, the time for performance shall be extended for the period of delay, unless terminated under Section 3.1.

**9.6 Notices.** All notices required under this Agreement must be delivered in writing by certified mail, return receipt requested, postage pre-paid; or by a commonly recognized overnight delivery service, all delivery charges pre-paid, and addressed to the attention of the Notice party or parties named in Schedule A.

**9.7 Assignment.** This Agreement shall be binding upon and inure to the benefit of iCopyright and Publisher and their successors and permitted assigns. Except in the case of a merger, acquisition, or sale of all or substantially all of the assets of a party, neither party may assign any of its rights or obligations under this Agreement without prior written consent of the other party, which shall not be unreasonably withheld or delayed.

**9.8 Headings, Counterparts, Facsimile Signatures.** Headings of the sections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever. This Agreement may be executed in counterparts and by facsimile or electronically as described below.

**9.9 Entire Agreement and Amendment.** This Agreement, including all Schedules, contains the entire understanding of the parties with respect to its subject matter, and supersedes all previous and contemporaneous agreements and understandings concerning the subject matter. If iCopyright notifies Publisher of an amendment to this Agreement, such amendment shall be deemed accepted by Publisher if Publisher shall still be using the iCopyright service 30 days following notice of such amendment.

## SCHEDULES

Schedule A: Publications to be Tagged; Publisher Contacts

Schedule B: Fees, Revenue Sharing, and Payments

Schedule C: iCopyright Service Categories and Offers

The Schedules are incorporated as part of this Agreement.

PUBLISHER ACKNOWLEDGES THAT IT HAS READ THIS AGREEMENT AND UNDERSTANDS THE RIGHTS, OBLIGATIONS, TERMS AND CONDITIONS SET FORTH HEREIN. BY CLICKING TO ELECTRONICALLY INDICATE AGREEMENT PUBLISHER EXPRESSLY CONSENTS TO BE BOUND BY ITS TERMS AND CONDITIONS AND GRANTS TO ICOPYRIGHT INC THE RIGHTS SET FORTH HEREIN.

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## Schedule A:

### **Publications to be Tagged with iCopyright; Publisher Contacts**

1. "Tagged Content" is defined as content in electronic form tagged by Publisher and published on the Internet at the Publication URL(s) listed in the Publication Profile in Publisher's Conductor Console.
2. Publisher Contacts for legal, business and technical issues under this Agreement shall be the person listed as Registrar under the Publisher tab of Conductor at the address listed in Profile under the Publisher tab in Conductor, as may be changed from time to time by Publisher.
3. The iCopyright Tags include iCopyright's hyperlinked trademarked logo design and Toolbar and Intelligent Copyright Notice, rendered in a format approved by iCopyright. Examples of the Toolbar include:



And the Intelligent Copyright Notice:



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## Schedule B: Fees, Revenue Sharing and Payments

Activation Fee: None

Monthly Basic Service Fee: None

Revenue Sharing: a) Instant Licensing Revenues. Eighty Percent (80%) of all Gross Revenue from Instant Licensing transactions initiated or processed through the Service shall be paid to Publisher. iCopyright shall retain Twenty Percent (20%) of all Gross Revenue from Instant License transactions initiated or processed through the Service . For purposes of this paragraph, "Gross Revenue" means the total revenue actually collected by iCopyright, less taxes, refunds and credits to End Users.

b) Custom Licensing Revenues Billed by Publisher. Ninety Percent (90%) of all Gross Revenue derived from custom reprint, e-print, and other Custom License transactions initiated or processed through the Service and fulfilled by Publisher or Publisher's Reprint Agent shall be retained by Publisher and split between Publisher and Publisher's Reprint Agent (if any) in whatever manner they determine between themselves. Ten Percent (10%) of all Gross Revenues derived from custom reprint, e-print, and other Custom Licenses initiated or processed through the Service and fulfilled by Publisher or Publisher's Reprint Agent shall be paid by Publisher or its Reprint Agent to iCopyright as a lead-generation commission. Publisher or its Reprint Agent shall maintain a current record in Conductor of its individual billed sales from leads generated from the Tag. For the purpose of this paragraph, "Gross Revenue" means the actual amounts received from licensees, less taxes, refunds/credits and shipping costs, by Publisher or its Reprint Agent, and shall include the full value of deferred compensation and non-cash consideration, including, but not limited to, bartered goods and services.

c) Custom Licensing Revenues Billed by iCopyright. With respect to Delivered Prints, custom reprints and custom e-prints initiated or processed through the Service and fulfilled by iCopyright or its designated agent, Fifty Percent (50%) of Gross Revenues shall be paid to Publisher and Fifty Percent (50%) shall be retained by iCopyright or its designated agent (who shall absorb the costs of production from its share). iCopyright shall be responsible for maintaining a current record of the actual amounts billed and report the same in Conductor. For the purpose of this paragraph, "Gross Revenue" means the actual amounts received by iCopyright from licensees, less taxes, refunds/credits and shipping costs (and, for Delivered Prints, credit card and handling fees).

d) Advertising Revenues from Ad-Supported Free Uses. (i) Advertising impressions on Ad-Supported Free Uses are managed independently by Publisher and iCopyright. Publisher shall have access to Fifty Percent (50%) of all advertising impressions on renderings of its ad-supported licenses and shall be responsible for providing appropriate ad tags in Conductor according to iCopyright's instructions. Each party shall retain One Hundred Percent (100%) of the revenue it collects from such advertisements. If Publisher does not provide appropriate ad tags to iCopyright, iCopyright may utilize Publisher's 50% of ad impressions and retain the revenue associated therewith. When content is syndicated, the publisher entitled to provide the ads and earn the related revenue is the content owner for repubHub Syndication and the content distributor for Tag-Only Syndication.

e) Net Revenues Is Gross Revenues less iCopyright's revenue share.

f) For syndicated content, Publisher shall be entitled to Net Revenue multiplied by Publisher's share of Net Revenue, as specified in the syndication agreement or subscription agreement executed through iCopyright. For customized reprints/e-prints for syndicated content where the Content Producer or Content Distributor (the "Responsible Party") is absorbing the cost of production (i.e., is producing the reprints in-house or is using a custom reprint provider other than iCopyright or iCopyright's agent) the amount calculated in the prior sentence shall be adjusted up by 35% of Gross Revenue multiplied by 1 minus the Responsible Party's share of Net Revenue for the Responsible Party and down by the same amount for the other publisher.

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**Payment:** iCopyright shall prepare an invoice on a monthly basis, netting amounts due to Publisher and amounts due from Publisher based on revenues actually collected. Either iCopyright must send a check to Publisher or Publisher must send a check to iCopyright for the net amount due within 30 days of the invoice. If the amount due Publisher is less than \$25 it shall be held, without interest, until the month when the amount due reaches \$25.

**Currency:** All fees set forth herein are expressed in U.S. Dollars (USD). License fees are expressed to End Users in the currency of the nation where Publisher resides unless Publisher notifies iCopyright that another currency should be used, provided that only one currency can apply for all Publisher activity. iCopyright converts all completed Instant License sales to USD before billing End Users, and reports all revenues and revenue shares due Publisher in USD. Publisher shall report its revenue from Custom Services in USD, using the conversion rate that applies at the time of the sale.

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## Schedule C iCopyright Service Categories

iCopyright offers Publishers the following categories of Service for Tagged Content. Each active Service shall be covered by this agreement. New Services may be introduced from time to time by iCopyright and existing services modified. Within each Service, Publisher shall make Business Rules elections for each Publication by registering them in Conductor. The categories, offers, and Business Rules in effect at any given time for any given Publication are subject to modification via Conductor.

**Instant Licenses.** Instant Licenses require no human intervention at the point of sale. End Users are billed by credit card prior to content delivery by iCopyright, except that End Users with Corporate Account privileges may charge Instant Licenses to their Corporate Account and pay later. Business Rules allow for individual pricing tables for standard, nonprofit, and educational End Users. Pricing tables may be established in flat-priced tiers or per-item tiers. Examples include:

- **Email Full Article.** Pricing based upon number of distributions.
- **Instant Print.** Pricing based upon number of copies.
- **Post Full Article.** Formatted HTML file hosted by iCopyright and priced based upon self-declared size of subscribing site.
- **Republication Rights.** Pricing based upon circulation of publication.
- **Post Excerpt and Excerpt Article for Print.** Pricing based upon number of words used.

**Custom Licenses.** Custom Licenses generate an e-mail exchange with the Publisher representative established for each offer type. The Publisher representative negotiates the specific terms and pricing of the license, and bills the End User. Examples include:

- **Customized Prints.** Paper reprints of the original content with custom features such as the buyer's logo, reflowed text, and highlighted text.
- **Customized e-Prints.** Electronic versions (PDF or other formats) of the original content with custom features such as the buyer's logo, reflowed text, and highlighted text.
- **Republication Rights.** Negotiated rights to republish the content.
- **Delivered Prints.** This service generates an order directly to iCopyright for non-customized reprints delivered directly to the licensee by iCopyright or its agent. Pricing set by Publisher subject to certain minimums.
- **Other Permissions and Services.** This service invites the End User to submit a request for other licenses or services not offered through other categories.

**Advertising Supported Free Uses.** Advertising is inserted into licensed content rendered by iCopyright and visible to End Users and other viewers of the licensed content. Publisher and iCopyright share advertising impressions on an equal-share basis. Advertising Supported Free Uses include active links to the other paid categories and offers.

- **Free Print.** Publisher may establish the maximum number of prints.
- **Free Email.** Publisher may establish the maximum number of distributions.
- **Free Web Post.** Formatted HTML file hosted by iCopyright.

**Get Syndication Feed.** This service offers a feed of Publisher's content to other publishers / aggregators ("Subscribers"). The feed of article summaries is free, and the subscriber can then decide which articles to republish as a Post Full Article – at the price set by each publisher for that service -- or Free Web Post. Subscriber can get a feed of all content or just selected content based on search terms. The feed has the iCopyright toolbar embedded so that Subscriber's readers can reuse the content, generating additional revenue for Publisher.

**EZ Excerpt.** When EZ Excerpt is activated, an end-user seeking to copy content from the Publisher website is automatically prompted to consider purchasing an excerpt license.

**iCopyright's Licensing and Syndication Portal (repubHub).** Through iCopyright's centralized republishing portal, End Users can search for and obtain alerts on articles on specific topics or from specific Publishers, view such articles, and obtain permission to republish them according to the Business Rules registered in Conductor.

**Tag-Only Syndication:** Many publishers of content serve as both a "Content Producer" and a "Content Distributor". "Content Producer" means a party that creates and/or owns the content and then allows another party to display, offer, or aggregate that content. "Content Distributor" means a party that displays, offers, or aggregates content created by a producer. The Tag-Only Syndication service is used when the Content Distributor already has a feed of Content Producer's content, but seeks the right to affix the iCopyright toolbar and sell reuses of that content on a revenue-sharing basis. This service allows Content Producers and Content Distributors to send invitations and execute Syndication Agreements granting each other tagging rights and revenue sharing.