Righthaven LLC v. Allec et al

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EXHIBIT B

Doc. 14 Att. 3

CONSULTING AGREEMENT

This Consulting Agreement is entered into this 01 day of June, 2006, with an effective date of June 01, 2006, by and between the RX.com/the RXForum.com ("RX"), and Michael Allec ("Allec")

- 1. **Scope.** Throughout the term of this Agreement, Allec will provide consulting services to RX. Specifically, Allec will be responsible for the following:
 - (a) Designing, developing and implementing software programs as assigned by RX management,
 - (b) maintaining, modifying and upgrading software programs as assigned by RX,
 - (c) identifying new projects and technology to be used by RX,
 - (d) identifying risk areas and proactively determining appropriate mitigation strategies,
 - (e) the work product delivered or to be delivered in conjunction with the Services, and any related notes, drawings, specifications, documentation, or other materials, in any form or medium, is referred to in this Agreement as the "Deliverables."

2. Term and Termination

- **2.1 Term.** This Agreement will commence on the Effective Date and will continue in force and govern the Services and Deliverables, for a period of one year or until terminated, following the Termination Guidelines, by either party.
- **2.1 Termination Guidelines**. Either party has the right to terminate the Agreement by providing thirty (30) days' written notice to the other party of its intent to terminate the Agreement.
- **3.** Compensation; Expenses. For Services performed and Deliverables delivered, RX will pay Allec as follows: (a) RX will pay Allec a monthly fee of [\$12,500.00] dollars. (b) RX will reimburse Allec for the actual cost of any reasonable expenses actually incurred by Allec in the course of performing the Services, provided that any expenses in excess of five-hundred dollars (\$500) must be approved by RX in advance. To be reimbursed for expenses, Allec must submit monthly invoices to RX that detail the expenses and receipts evidencing the expenses. RX will pay all undisputed amounts set forth in an invoice within thirty (30) days of the date of invoice.
- **4. Profit Sharing.** RX agrees that Compensation will be paid regardless of profits of RX. Allec agrees that Compensation contains no profits or profit sharing.
- 5. Assignment of Prior Deliverables. Allec hereby conveys and irrevocably assigns to RX any and all of Allec's right, title and interest in any Deliverables created, developed and/or delivered to RX prior to the execution of this Agreement (the "Prior Deliverables"), and all derivative works thereof, including without limitation all copyrights and all other intellectual property rights therein, and all copies thereof.
- **6. Works Made For Hire.** Allec hereby agrees and acknowledges that any Deliverables created, generated or made by Allec for or at the behest of RX after the execution of this Agreement

("Subsequent Deliverables"), are works made for hire within the meaning of the copyright laws of Panama and the United States of America. To the extent any Subsequent Deliverables are not considered works made for hire, Allec hereby irrevocably assigns to RX all of Allec's right, title and interest in and to any and all Subsequent Deliverables. Subsequent Deliverables shall expressly include any and all works currently in progress that Allec is preparing for RX.

7. Inventions. Allec hereby irrevocably assigns to RX all of Allec's right, title and interest in and to all Inventions made, generated or created in the course of Allec's performance of the Services, and Allec agrees to and will promptly disclose all such Inventions to RX in writing. "Invention" means any discovery, improvement, innovation or idea, whether or not patentable, whether or not put into writing, and whether or not put into practice, including without limitation the Deliverables. The provisions of the preceding sentence do not apply to an Invention for which no equipment, supplies, facility or trade secret or confidential information of RX was used and which was developed entirely on Allec's own time, and (a) which does not relate (i) directly to the business of RX, or (ii) to RX's actual or demonstrably anticipated research or development, or (b) which does not result from any work performed by Allec for RX.

8. Confidential Information.

- 8.1 "Confidential Information" means and includes (a) any information possessed by RX and/or a client of RX, or developed by Allec in the course of performing the Services, which derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and (b) any information relating to the Deliverables and/or to RX's intellectual property, clients and potential clients, RX's business operations, and all other information (in whatever form) that Allec knows or has reason to know that RX intends or expects to be kept confidential. "Confidential Information" does not include information which was (c) known to Allec prior to its development by Allec under this Agreement or its receipt by Allec from RX, (d) information which is generally known or available to the public, or (e) information which is disclosed by RX to other parties without restriction.
- 8.2 Allec will maintain all Confidential Information in strict confidence and will not at any time or for any reason disclose any Confidential Information to any third party without the prior written consent of RX. Allec will not use any Confidential Information for any purpose other than the performance of the Services. The obligations set forth in this paragraph will survive the termination or expiration of this Agreement. Upon termination of this Agreement and upon request of RX, Allec will return to RX all tangible forms of Confidential Information and copies thereof, both in machine readable form and human readable form.
- 9. Restriction on Competition; Non-Solicitation. During the term of this Agreement and for a period of twelve (12) months after the termination thereof, Allec will not (i) directly or indirectly engage or participate in, or perform services similar to the Services for any business which is competitive with any aspect of RX's business in a geographic area consisting of the United States of America and Panama or (ii) hire, solicit for hire, or contract with, either directly or indirectly, the employees or contractors of RX. If the scope of these restrictions are held to be unreasonable or against public policy, then the restrictions shall be enforced to the maximum

extent permitted by law. The parties agree and consent that these restrictions shall be considered to be divisible with respect to scope, duration, and geographic area, and such lesser scope, duration, or geographic area, or all of them, as a court of competent jurisdiction may determine to be reasonable and not against public policy, will bind the parties.

- **Warranties.** Allec will perform the Services in a timely and workmanlike manner and in accordance with accepted and sound professional practices and procedures. If requested by RX, Allec will repair or replace any defective or non-conforming Deliverables provided by Allec. Additionally, and without limiting the foregoing, Allec represents and warrants that: (a) Allec is free of any obligation or restriction that would prevent Allec from entering into this Agreement or impede Allec's ability to perform the Services; (b) Allec's performance of the Services will not involve the use or disclosure of any trade secret information of any third party or the infringement of any patent or copyright of any third party; (c) all documentation, software, and other Deliverables prepared by Allec in the course of performing the Services will be of original development by Allec and will have been developed specifically for RX. Allec warrants that he is and will be the sole author of the Deliverables; that he is the sole owner of all the rights granted to RX hereunder; that he has not previously assigned, pledged or otherwise encumbered the same; that the Deliverables are and will be original, have not been published before, are not in the public domain, and that they do not and will not infringe upon any statutory or common law copyright, patent, trade secret, or any other rights of any third party.
- 11. Indemnification. Allec will indemnify RX and hold it harmless from and against any and all claims, demands, causes of action, damages, liabilities, costs and expenses (including without limitation reasonable attorneys' fees, court costs and other legal expenses) arising from the activities of Allec under this Agreement, or out of any breach by Allec of any provision hereof.
- 12. Relationship of the Parties. RX and Allec intend to create the relationship of independent contractors between them. Nothing in this Agreement will be construed as creating any joint venture, partnership, employment or agency relationship between the parties for any purpose whatsoever or as constituting either party as the legal representative, guarantor, surety, employee or agent of the other. Neither party will have the right or authority to assume, create or incur any liability or obligation of any kind, express or implied, against or in the name of or on behalf of the other. RX will not withhold any taxes from Allec's compensation, nor provide any benefits, including health insurance benefits, paid vacation, or any other employee benefit to Allec.
- 13. Remedies. In the event of any breach by Allec of any of the provisions of this Agreement, RX, in addition to any other rights, remedies or damages available at law or in equity, will be entitled: (a) to seek injunctive relief enjoining and restraining any such breach by Allec without posting bond; and/or (b) in addition to any other award of damages to which RX may be entitled, to recover from Allec all costs and expenses, including without limitation attorneys' fees, incurred by RX, its successors and assigns as a consequence of any such breach.

14. Miscellaneous.

- **14.1 Assignment.** This is an Agreement for personal services; therefore, Allec may not assign any of Allec's rights or delegate or subcontract any of Allec's duties under this Agreement without prior written consent from RX.
- **14.2 Binding Effect.** This Agreement will be binding upon and inure to the benefit of Allec, RX, and RX's affiliates, successors and assigns.
- 14.3 Waiver. The failure by either party at any time to enforce any of the provisions of this Agreement or any right or remedy available hereunder or at law or in equity, or to exercise any option herein provided, will not constitute a waiver of such provision, right, remedy or option or in any way affect the validity of this Agreement. The waiver of any default by either party will not be deemed a continuing waiver, but will apply solely to the instance to which such waiver is directed.
- 14.4 Choice of Law; Venue. This Agreement will in all respects be governed by and interpreted, construed and enforced in accordance with the laws of Panama without respect to its choice of law provisions. Any action between the parties will be venued in a state or federal court in Panama, and the parties hereby submit themselves to the personal jurisdiction of such courts for such purpose.
- 14.5 Severability. Every provision of this Agreement will be construed, to the extent possible, so as to be valid and enforceable. If any provision of this Agreement so construed is held by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, such provision will be deemed severed from this Agreement, and all other provisions will remain in full force and effect.
- 14.6 Further Assurances. Allec agrees to give RX any reasonable assistance required, and to execute such documents as RX may reasonably request, to perfect the rights assigned pursuant to this Agreement.
- 14.7 Entire Agreement. This Agreement sets forth the entire agreement and understanding between the parties regarding the subject matter hereof and supersedes any prior representations, statements, proposals, negotiations, discussions, understandings, or agreements regarding the same subject matter. This Agreement may not be modified or amended except by a writing signed by both parties.

[Signatures on following page]

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

Michael Allec

the Rx.com/the RxForum.com

By: Marty Jensen, General Manager

Signed:

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