Overview

Numenta has developed Intellectual Property (IP) based on brain theory that addresses many of the foundational principles of machine intelligence. We license our IP and reference source code for commercial applications, both through an open source community (www.numenta.org), as well as a commercial IP licensing program. This document describes the current licensing program and will be updated as it evolves.

Business Model

Numenta is a team of scientists and engineers focused on brain theory. We test and release algorithms based on our research. Although we have created example applications, we do not create go-to-market solutions for specific problem domains. Instead we license our IP and reference source code to developers, whether they are individuals, research organizations, or companies that aim to create products based on our research.

Types of Licenses

We have three different license types, as detailed in this section.

1. Open source license: AGPLv3
2. Trial license: non-open source license for experimentation – no commercial rights
3. Commercial IP license options - commercial rights to patents and reference source code

Open Source License – AGPLv3

Developers are encouraged to use our IP and reference source code within the open source project called NuPIC (Numenta Platform for Intelligent Computing) using the AGPLv3 open source license (www.numenta.org). The AGPLv3 allows broad rights to use our patents and source code with the requirement that any distribution or use as a service requires the developer to release code under the same license. This structure allows developers to explore our patents and reference software without additional legal or license work in order to determine whether there is a fit with their problem domain. The developer then has the option to stay within the open source structure or to request a commercial license. Open source developers may request a commercial license at any point in time.

Trial License (non-commercial)

For those companies interested in exploring the use of our source code, but have internal prohibitions against open source generally or AGPL specifically, we have created a proprietary trial license. The trial license allows experimentation outside of the open source license, but does not confer any commercial rights. The text of the trial license can be found here: https://numenta.org/licenses/trial/.

Commercial IP License

Numenta's commercial IP license includes commercial rights to our patents and our reference source code in NuPIC. This license is appropriate for anyone who wants to offer for licensing the source code as part of a product offering, but does not want to stay within the AGPLv3 structure.

Step 1: Validation Checkpoint

Before entering into a commercial license, you must demonstrate fitness and viability of NuPIC in your expected product by scheduling a call with Numenta and showing us your results. Our validation recommendations can be found in the Commercial License Application Section below. During the validation period, you can work under one of two licenses:

1. **AGPLv3** – As long as you do not deploy, distribute or make available the source code in a SaaS offering, the AGPLv3 license allows you to experiment and create a proof of concept at no cost.

2. **Validation License** – If you would like to test with customer data, deploy on customer premises, or make available as a hosted product, we offer a validation license that gives commercial rights with no payments for up to 12 months. The purpose of this license is to give developers the ability to ascertain the fit of the technology and IP to the market need before having to enter into costly and complex contract processes.

Step 2: Commercial License options

Once you have demonstrated commercial viability, we offer two options for commercial licenses:

1. **Simple License** – This perpetual, fee-based license for a single product or application, is available to companies with annual revenue less than $250,000,000 USD. The license fee is paid quarterly as a percentage of revenue from the licensed product or service that uses our source code and/or intellectual property.

   Fee Schedule (all figures on a quarterly basis)

   Minimum = $1250 per quarter (covers revenue up to $25,000 per quarter)

   *Revenue between $25,000 and $250,000 per quarter = 4% of revenue
   Revenue between $250,000 and $1,250,000 per quarter = 3% of revenue
   Revenue above $1,250,000 per quarter = 2% of revenue

   *Revenue means the gross revenue or income received by you from the licensing or sale of your Licensed Products or Services that use, integrate, embed, or are combined or bundled with the Software. Gross Revenue is before any deductions such as expenses associated with those revenues. Consulting services, service fees, and other ancillary revenues associated with the Licensed Products or Services are included. Hosted or SaaS services are included. All fees are payable in US Dollars. If Revenues are earned in other currencies, please indicate exchange rate used.

2. **Custom License** – For those who do not meet the criteria for the Simple License, or have complexities in their business that would require modifications to the Simple License, we will work with you to create a custom license.   Custom licenses may require an up-front payment.

There are a couple important terms to understand about our commercial licenses.

1. Exclusivity – Because of the breadth of potential applications, we do not offer exclusive licenses.
2. Support – We offer orientation and educational materials through our open source project and on our website. However, because we are not offering fully formed products, but rather IP for machine intelligence technologies, we do not provide software support. We also cannot guarantee when or what will be updated in our source code.

A note to researchers: We are excited to promote the use of our patents and source code for research and exploration. Consequently, we want to make clear that we will not assert our IP against developers who are using it for research purposes. If you are working on a non-NuPIC implementation, you only need to engage in an IP license if you plan to use the technology for production or commercial purposes.

Commercial IP License Application

Because of the legal and marketing relationship we have with our commercial licensees, we have instituted an application process. Note that Numenta reserves the right to determine whether to accept an applicant. You can start the commercial license application process by sending an email to licenses@numenta.com. Please include:
- Name of company and names/contact info of principals
- Overview of company
- Focus of expected product or solution

Numenta commits to reviewing license inquiries and responding within 7 working days to set up a meeting to discuss.

Following are the key criteria that will be considered to decide whether a commercial license application will be accepted:

- Is our IP and code a good fit for the problem being addressed?
- Does the company have a plan as to how to reach the intended market?
- What is the data source, and does the company have access to it?
- What is the history and capitalization of the company?
- For a start-up company, are the principals proven entrepreneurs?
- Is the business focus complimentary to other licensees?

Validation Recommendations

Below are steps you can take to validate that our IP and source code are a good fit for your product.

1. Create a "Proof of Concept (POC)" if applicable.

    - If you want to find anomalies in single variable streaming data, and your data can be represented by scalar values, you can use [HTM Studio for Anomaly Detection](#) to do a POC. HTM Studio is a free desktop tool that does not require any coding.

    - If you have non-scalar data, or you want to do more complex processing that HTM Studio does not support (multivariable analysis, prediction or classification), you can work directly with [NuPIC](#). You also can use NuPIC to validate results from HTM Studio. Note that installing, configuring and running NuPIC takes some advanced programming skills.

    - There are multiple [sample applications](#), [encoders](#) and other support libraries available in the open source that you can experiment with. Using this source code requires programming skills.

    - If you are working on a non-NuPIC implementation, and are seeking an IP-only license, we still would like to see validation for your application in your chosen environment.

2. Join our open source community, and post any questions you have on our [open source forum](#). As a small company, Numenta cannot offer direct support on the use of HTM Studio or NuPIC, so we encourage you to leverage the community.

3. If you need help with your evaluation, we can provide a list of our open source community members that have expressed an interest in offering consulting services. They have experience with installing and running NuPIC.

FAQ

Q. Why should I take a commercial license rather than use the open source license?
A. You are welcome to use the open source license as long as you follow its requirements, which include releasing your own code under the same open source license if you distribute (or host) for customers.

Q. Can I negotiate a commercial license for IP only that does not include software and is not related to an application or product?
A. Contact us at licenses@numenta.com to discuss.

Q. How much does the commercial IP license cost?
A. The Simple License has a set fee schedule. Custom license costs will vary.

Q. Do you have any geographical restrictions as to who can qualify for licenses?
A. Other than compliance with US Export regulations, we do not restrict which geographies can apply, and our current licensee pipeline is from all over the world. We also have no geographic territories in our license. You may market anywhere in the world.

Q. I am a researcher in a corporate research lab. Do I need a commercial license to use NuPIC or Numenta patents in my research?
A. No. Researchers from academic institutions, research organizations and corporations may use NuPIC under either the AGPLv3 license or the trial license. Researchers may publish results with an appropriate citation.