

## Numenta License Guide

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### Overview

Numenta is a leading developer of machine intelligence technology called Hierarchical Temporal Memory (HTM). Our technology is provided both through an open source community ([www.numenta.org](http://www.numenta.org)) as well as through a commercial licensing program. This document describes the current licensing program and will be updated as the program evolves.

### Business Model

Numenta is a technology provider, not an application provider. Although we create example applications, we do not create go-to-market solutions for specific problem domains. Instead we license our technology and application code to developers, whether they are individuals, research organizations or companies that aim to create products based on our technology.

### Types of Licenses

We have five 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. Start-up license: commercial license targeted to HTM focused start-up companies
4. Custom license for software and IP: commercial license if the above licenses are not good fits
5. Custom license for IP only: commercial license to use our IP for your own HTM implementation

In addition to the licenses listed here, we are currently developing new licenses.

### Open Source License – AGPLv3

Developers are encouraged to use our technology within the open source project called NuPIC (Numenta Platform for Intelligent Computing) using the AGPLv3 open source license ([www.numenta.org](http://www.numenta.org)). The AGPLv3 allows broad rights to use the technology 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 technology without any additional legal or license work, and thus to determine a fit with their problem domain. The developer then has the option to stay within the open source structure or to apply for a commercial license. Open source developers may apply for a commercial license at any point in time.

## Trial License (non-commercial)

For those companies who are interested in exploring the use of our HTM technology, but have internal prohibitions against using AGPL code, we have created a 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: [http://numenta.org/licenses/trial/Numenta\\_Trial\\_License\\_1.1.pdf](http://numenta.org/licenses/trial/Numenta_Trial_License_1.1.pdf)

## Start-up License (commercial)

The Start-up License is focused on companies who are formed with the explicit idea of commercializing HTM technology in a specific problem domain. Modeled after a university or research institute technology transfer structure, the license offers a broad general license in exchange for Numenta's 5% ownership in the new entity and a 2% royalty. The royalty is based on all revenues of the company, encouraging the company to use HTM in as many ways as possible.

The Start-up License structure offers several advantages to the start-up company. First, it requires no cash up front. In fact, cash payments aren't required until the earlier of two years or company profitability. Second, it aligns Numenta's objectives with those of the start-up company – we both benefit if the new company succeeds. Third, because the license offered is broad, the start-up can evolve in a way that makes sense given what they learn from customers – the company does not have to come back to Numenta for changes, such as to the definition of field of use or to expand a restricted geography. Finally, the license appeals to start-up investors because it has very few constraints on the company, enabling them to move as quickly as they are able.

Because of the amount of overhead associated with the Start-up License, Numenta is unable to offer it to everybody. Consequently, there is an application process, described later in this document, and Numenta reserves the right to determine whether to accept an applicant.

## Custom Commercial License for Software and Intellectual Property

If your needs do not fit our license categories, we welcome discussions about a custom license. Custom license inquiries may be sent to [sales@numenta.com](mailto:sales@numenta.com).

## Custom Commercial License for Intellectual Property only

The HTM theory is both a general theory of cognition as well as the basis for machine intelligence. The NuPIC open source project is one implementation of HTM. We are confident that the ideas behind HTM can be implemented in many other ways. Certain implementations of HTM, such as creating custom microprocessor architectures, will require optimized versions of HTM. Other developers may prefer to do a distinct software version of HTM for a variety of reasons. In these cases, developers may wish to negotiate a license for intellectual property only without using our software. Inquiries for IP licenses may be sent to [sales@numenta.com](mailto:sales@numenta.com).

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

## A Few Key License Terms

There are a few license terms that cut across all licenses that are important to understand.

1. Exclusivity – because of the breadth of potential applications of HTM, we generally do not offer exclusive licenses.
2. Support – we offer some limited orientation and support for our technology. However, because we are not offering fully formed products, but rather technologies, we do not provide customization, integration, or other development services. We also cannot guarantee when or what will be updated in our technology.
3. Marketing – we would like to showcase our licensee products, and would like them to showcase our technology. Consequently, we include in our commercial licenses a joint marketing expectation. Companies who want to keep their applications secret may want to discuss a custom license with us.

## Commercial License Application

Because of the legal, support 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.

If you are interested in obtaining a commercial license to our technology, you first must validate that HTM adds value to your application. Below are a few resources you can use to accomplish this “Proof of Concept (POC).”

1. 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 test. HTM Studio is a free desktop tool that allows you to explore HTM without doing any coding. Download [HTM Studio](#), put your data sample into a CSV file with a [supported format](#), and load it into HTM Studio. After HTM analyzes your data, you can view anomalies found by HTM in the results graph, or export the processed data.
2. If you have data that is not scalar, or you want to do more complex processing that HTM Studio does not support (multivariable analysis, prediction or classification), then you can work directly with our open source platform, [NuPIC](#). You also can use NuPIC to further validate results from HTM Studio. Note that installing, configuring and running NuPIC takes some advanced programming skills.
3. There are multiple examples of [HTM applications](#), [encoders](#) and other support libraries available in the open source that you can use to create your own POC. Using this source code requires programming skills.

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

Once you have confirmed that HTM adds value to your application, you can start the commercial license application process by sending the following information to [sales@numenta.com](mailto:sales@numenta.com):

- Name of company and names/contact info of principals
- Resumes or LinkedIn pages of principals
- Overview of company
- Focus of expected HTM product

Additional information for companies interested in the Start-up License:

- o Two to four page business plan indicating capital structure, capitalization, investment levels, status of initial application development, distribution/marketing plans, and planned spending
- o At least two business references of people who have interacted with you on a professional basis in the last few years – preferably one who has been a customer

Numenta commits to reviewing applications and responding with initial thoughts within 7 working days to set up an initial call/ meeting with you to review your application and POC results.

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

- Is HTM technology 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?

## FAQ

Why should I take a commercial license rather than use the open source license?

You are welcome to use the open source license as long as you follow the requirements of that license, which requires you to release your own code under the same open source license if you distribute (or host) for customers. For many developers, this license is all you will need.

Why do you require that the Start-up License is on all revenues, not just HTM related revenues?

This license is tuned specifically for companies who are formed with the idea of commercializing HTM technology. We want to create an incentive to use HTM in any way that you can. We've made the percentage royalty deliberately low with the idea that a very low royalty on all revenues would provide substantial incentive to use HTM as broadly as possible.

If I'm interested, what should I do first?

We encourage potential licensees to first spend time with our technology and the proposed problem domain in order to ascertain whether there is a fit. Refer to the License Application section for examples of resources you can use to create a "Proof of Concept." If you need help with your evaluation, we can provide a list of our open source community members that are available for consulting. These are people that have experience with installing and running HTM that have expressed an interest in offering HTM consulting services. Once you have some results, and are confident that you want to proceed, at that point it makes sense to apply. If you want to check with us as to area of focus, to understand whether there are other potential licensees focused on the same application, feel free to send a short inquiry to [sales@numenta.com](mailto:sales@numenta.com).

Do you have any geographical restrictions as to who can qualify for licenses?

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 should note that we have no geographic territories in our license. You may market your application anywhere in the world.

I am a researcher in a corporate research lab. Do I need a commercial license to use NuPIC or HTMs in my research?

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.