Limitation of Liability Clause

1. Limitation of Liability

To the fullest extent permitted by applicable law, in no event shall [Party A], its affiliates, officers, employees, agents, contractors, or licensors be liable to [Party B] or any third party for any indirect, incidental, special, consequential, or punitive damages, including but not limited to loss of profits, data, use, goodwill, or other intangible losses, arising out of or relating to this agreement, regardless of the cause of action, whether in contract, tort (including negligence), strict liability, or otherwise, even if [Party A] has been advised of the possibility of such damages.

2. Aggregate Liability Cap

In no event shall the total aggregate liability of [Party A] for all claims arising out of or relating to this agreement exceed the total amounts paid by [Party B] under this agreement during the twelve (12) month period preceding the event giving rise to the claim.

3. Exceptions

The foregoing limitations will not apply to liability arising from: (a) gross negligence or willful misconduct; (b) breaches of confidentiality or data security obligations; or (c) liability which cannot be excluded or limited by law.

4. Basis of the Bargain

The parties agree that the limitations of liability set forth in this clause are fundamental elements of the basis of the bargain between the parties, and a material inducement for the parties to enter into this agreement.

Important Notes

- This clause should be tailored to the specific agreement and jurisdiction.
- Some liabilities cannot be limited or excluded by law.
- Consult legal counsel before including or modifying limitation of liability terms.
- Clearly define the cap and exceptions to minimize ambiguity.
- Both parties should understand the risks and implications before signing.