IP rights sale agreement: in invention or process: for cash and shares

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Schedule 1: [FreeWheeler] Schedule 2: Press release

| This | agreement is dated: [date] | |
|---------|-------------------------------|---|
| And | made between: | |
| [Alan | Bilbo Catlin], of [full ■ ■ ■ |], ("[= = =]"); |
| And | | |
| _ | ber] and] whose registered o | a company incorporated in Australia [under ACN ffice is ■ ■ ■ [■ ■ ■ ■ ■ ■] ("[■ ■ ■ ■]" / " ■ |
| It is ı | now agreed as follows: | |
| 1. | Definitions | |
| | "[FreeWheeler]" | means the package of software, graphic design, control system, user interface, reporting and all other systems which constitute the fully functional [|
| | "Confidential Information" | means all information about the parties to this agreement, including any information which may give a commercially competitive advantage to any other person. It does not include information that it is reasonably necessary to disclose to a customer or other person |
| | | |
| | | information about staff and their personal contact information, |
| | | data or information relating to product plans, marketing strategies, finance, operations, customer relationships, customer profiles, sales |
| | "Field" | means the market for [agricultural machinery / unmanned aerial vehicles / food processing machinery, or as the case may be] [Enter |

| | | complete and clear statement of industry and application. If longer than 100 words, use a schedule • • • • • • • • • • • • • • • • • • • |
|---------|-----------------------|--|
| | | |
| "Intel | lectual Property" | means intellectual property of every sort, whether or not registered or registrable in any country, including intellectual property of kinds coming into existence after today; and including, among others, designs, copyrights, software, domain ■ ■ |
| | | ,, |
| | | |
| "Pate | nt" | means one or more patents, not yet existing, for which [VAM] has agreed to make application to • • • • • • • • • • • • • • • • • • |
| Inte | rpretation | |
| In this | s agreement unless th | e context otherwise requires: |
| 2.1. | - | ender shall include any or all genders and a gular may be interpreted • • • • • • • • • • • • • • • • • • • |
| 2.2. | | son includes a human individual, a corporate entity, |

| | 2.6. | | ence to the knowledge, information, belief or awareness of any shall be deemed to include the knowledge, information, |
|----|------|----------|--|
| | 2.7. | | ney sums mentioned in this agreement are calculated net of which |
| | 2.8. | conflict | greement is made only in the English language. If there is any in meaning between the English language version of this nent and any version or |
| 3. | War | rantie | s for authority of Buyer |
| | 3.1. | [VAM] | warrants that it has power to enter into this agreement [and = = = = = = =]. |
| | 3.2. | | warrants and undertakes that it is not aware of anything within sonable control which might or will |
| | 3.3. | | warrants that it is not insolvent and knows of no circumstance would entitle any creditor to appoint a receiver or to petition |
| | 3.4. | [VAM] | warrants that its performance of |
| | | 3.4.1 | conflict with or result in the breach of any provision of its constitution or any comparable document regulating • • • • • • • • • • • • • • • • • • • |
| | | 3.4.2 | conflict with any law or governmental regulation in any jurisdiction in ••••••; |
| | | 3.4.3 | constitute a default (or event which with the giving of notice or lapse of time, would become a default) |

| 4. Relationship of parties |
|----------------------------|
|----------------------------|

| | 4.1. | Nothing in this agreement shall create a partnership, agency or other relationship between the parties, other •••••••••••••••••••••••••••••••••••• |
|----|------|--|
| | 4.2. | Neither party shall have, nor represent that he has any authority to make any commitment on other I I I I I I I I I I I I I I I I I I |
| 5. | Ent | ire agreement |
| | 5.1. | This agreement contains the entire agreement between the parties and supersedes all |
| | 5.2. | Each party acknowledges that, in entering into this agreement, ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| | 5.3. | Conditions, warranties or other terms implied by |
| | 5.4. | As an exception to the last |
| | | [Enter list = = = = = = = = = = = = = = = = = = = |
| 6. | [AB | C]'s representations as to Intellectual Property |
| | [ABC |] represents and warrants that: |
| | 6.1. | [ABC] is the owner • • • • [• • • •] • • • • • • • • • • |
| | 6.2. | to the best of the knowledge of [= = =], [= = =] = = = = = = ; |
| | 6.3. | use of [FreeWheeler] • • • • [• • • •] • • • • • • • • • |
| | | |

| 7.1. | | [ABC] now assigns to [VAM] all = = = , = = = = = = = = = = = = = = = | | | | |
|------------|--------|--|--|--|--|--|
| | •••• | | | | | |
| | 7.1.1 | the sum of \$ [100 , 000], | | | | |
| | 7.1.2 | the issue of [200,000] ordinary shares of one dollar each in [\blacksquare | | | | |
| | | | | | | |
| 7.2. | | diately after this agreement becomes effective / within 48 hours | | | | |
| | •••• | | | | | |
| 7.3. | any me | n [8] weeks of today, [VAM] identifies to [ABC], any material in edium that is missing after delivery of [| | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| 7.4. | | agrees to take whatever action is reasonably necessary, for ■ ■ | | | | |
| | [=== | -]'s[] | | | | |
| | 7.4.1 | execution of documents and instruments; | | | | |
| | 7.4.2 | the furnishing of information, as may be required ■ ■ ■ ■ ■ ■ | | | | |
| | | | | | | |
| | | ts in connection | | | | |
| - - | | · • • • • [• • • •]. | | | | |
| 7.5. | The sa | IIE IS: | | | | |

7.5.1 limited in scope to the Field;

| | | 7.5.2 | subject to any sales or licences previously granted to third parties, none of which is specifically for exploitation within the Field now granted, but any of which could, | • |
|----|-------------------------------------|---|--|------------|
| | 7.6. | | acknowledges that [ABC] owns all residual right, | |
| | 7.7. | | of any patent, trademark or third party • • • • • • • • • • • • • • • • • • • | • |
| 8. | [AB | <mark>C]</mark> 's u | ınderstanding | |
| | [ABC | • • • • • . | | i = |
| | 8.1. | | s investigated the affairs and accounts of [VAM] = = = = = = = = = = = = = = = = = = = | - - |
| | | [=== | □]. | |
| | 8.2. | - | es the Shares for = = = = = = = = = = = = = = = = = = = | |
| | 8.2.8.3. | He take | • | • • |
| | - | He take | es the Shares for ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ | • |
| | 8.3. | He take Except He ack In conn date, [/ | tes the Shares for to by operation of law, he undertakes knowledges and understands that there is | |

| | , | | |
|------|-------|--|-------------|
| | | | ■]. |

9. The [FreeWheeler] trademark

- 9.2. This licence shall extend to every right assigned to [• •] • • •
- 9.3. [ABC] agrees that [VAM] = = = = = = = = = = = [= = = = =].

10. The Patents

| | 10.5. | [ABC] now grants a licence to [VAM] • • • • • • • • • • • • • • • • • • • |
|-----|-------|--|
| | 10.6. | This licence shall extend to every right assigned to [• • •] • • • • • • • • • • • • • • • |
| | 10.7. | [ABC] will comply with any reasonable request by [VAM] = = = = = = = = = = = = = = = = = = = |
| | 10.8. | If at any time, [VAM] is engaged in any patent application or dispute or proceeding, and it wishes to terminate, disengage, cancel or settle [|
| | 10.9. | [VAM] acknowledges that every patent relating to [FreeWheeler] is or may be of value in exploiting [FreeWheeler] • • • • • • • • • • • • • • • • • • • |
| | | |
| 11. | Othe | er new Intellectual Property |
| 11. | | er new Intellectual Property This paragraph does not apply to Patents. It applies to •••••• •••••••••••••••••••••••••••• |
| 11. | 11.1. | This paragraph does not apply to Patents. It applies to |

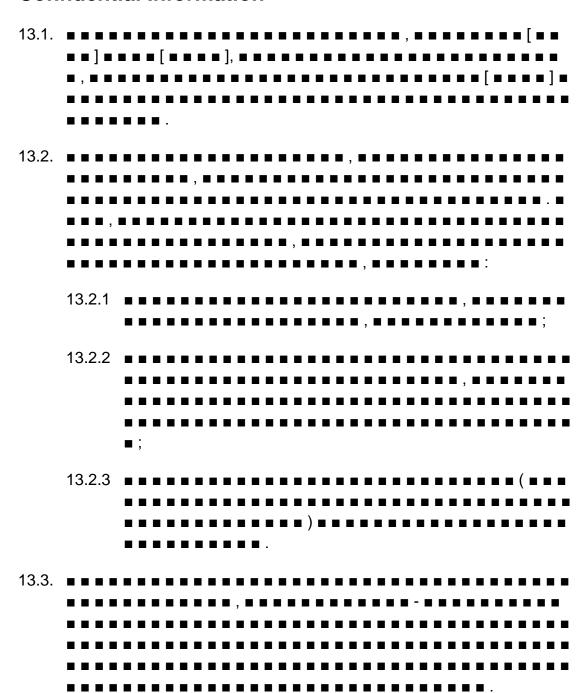
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\blacksquare \blacksquare \blacksquare \blacksquare ]];
  Third party infringement
[Note: there are alternative scenarios for this paragraph. This one is for ABC 

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. . . . . . . . . . 1.
Option one
12.1. If either party becomes in any way aware of
  12.2. [ABC] shall have the first right, but not ABC] shall have the first right, but not ABC]
  12.3. [ABC] must notify [VAM] within [28]
  12.4. [VAM] agrees to co-operate with [ABC] in any litigation or other
  enforcement action that [ = = = ] = = = = = = = = = = = = = =
  ....................................
  ....[....].................
  .........
12.5. All reasonable lawyers' fee and other expenses incurred by [VAM] in ■
  ....................................
  [....].........................
  ..[....].................
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| 12.7. | [VAM] shall have no recourse against [ABC] arising out of [ABC]'s handling of or |
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| 12.8. | If [ABC] fails to take action on a matter which affects or • • • • • • • • • • • • • • • • • • |
| 12.9. | [VAM] may at any time = = = = = = = = = = = = = = = = = = = |
| 12.10. | If a party brings an action under this paragraph and subsequently ceases to pursue |
| 12.11. | All money recovered through any proceeding or claim, or from any settlement of it, shall belong to the party |
| Optio | n Two |
| Third | party infringement [alternative] |
| 12.12. | If either party becomes in any way aware of ••••••••••••••••••••••••••••••••••• |
| 12.13. | [VAM] shall have the first right, but not • • • • • • • • • • • • • • • • • • • |
| 12.14. | [VAM] must notify [ABC] within [28] |

| 12.15. | [ABC] agrees to co-operate with [VAM] in any litigation or other enforcement action that [|
|--------|---|
| 12.16. | All reasonable lawyers' fee and other expenses incurred by [ABC] in [= = =] = = = = = = = = = = = = = = = |
| 12.17. | |
| 12.18. | [] - - - - - - - - - - - |
| 12.19. | |
| 12.20. | []. |
| 12.21. | |
| 12.22. | |

13. Confidential Information



14. Disclaimer

| 14.1. | | | | | | | | |
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| 14.2. | | | | | | | | |
| 14.3. | - | - | | | | ••••• | , , | •• |
| | 14.3.1 | [• • • • • ; | -] | | •••• | | | |
| | 14.3.2 | | [| | | | | |
| | 14.3.3 | | | • • • • • | | | | •• |
| | 14.3.4 | | | ••••• | |] | | |
| 14.4. | | | (==== | | | | | •• |
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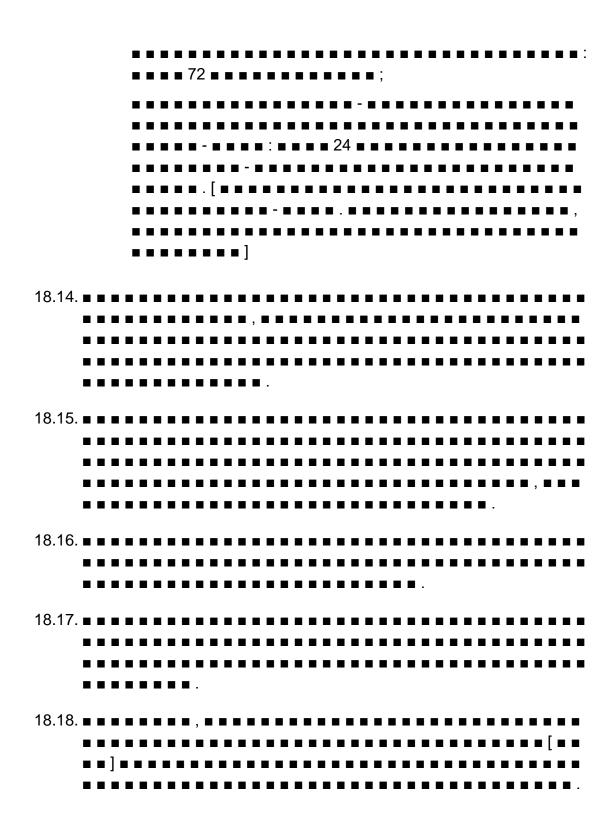
| 15. | Inde | emnity by Buyer |
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| | | ••]•••••••,•••[••••]••••••• •••••: |
| | | |
| | 15.0 | its breach of this agreement. |
| | | its breach of this agreement; |
| | 10.0. | ,; |
| | 15.4. | ; |
| 16. | The | measure of damages |
| | 16.1. | |
| | 16.2. | |
| 17. | Pub | licity / Announcements |
| | 17.1. | |
| | OR | |
| | 17.2. | No party shall: |

17.2.1 make any public announcement; or

17.2.2 disclose any information; or

| | 4700 | | | | | | | | | | | | | | |
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| | 17.2.3 | | | | | | | | | | | | | • | |
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| 17.3. | | ■,■■ | | | | | | | • • • | | • • | | | | |
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| 18.2. | | | | | | | | | | | | | | | |
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| 18.4. | | | | | | | | | | | | | - | | |
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| 40.40 | |
| 18.12. | |
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| 18.13 | |
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| | It shall be deemed to have been delivered: |
| | |
| | |



Signed by [personal name] on behalf of [ABC name]

Schedule 1: [FreeWheeler]

Schedule 2: Press release

Explanatory notes:

IP rights sale agreement: in invention or process: for cash and shares

Paragraph Specific notes:

Notes numbering refers to paragraph numbers.

1.

| Definitions |
|--|
| You should first decide on the contents of the document, then return to check what definitions are needed and whether they really I I I I I I I I I I I I I I I I I I |
| The definition relating to the subject matter of the agreement requires particular care on your part. The better you can define it, |
| We have given a name to the whole of the package "FreeWheeler" but ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ |
| You may also have to differentiate between the name you give to the package and any other name you might use to sell your own products. Be careful to avoid accidentally including in the definition of what you are selling, a name or software which |
| |
| By all means use the find/replace function in your word processor to change them, but if you do change the defined word, make sure it |
| |
| Interpretation |
| Leave these items in place upless there is a good reason to edit or remove |

2.

Leave these items in place unless there is a good reason to edit or remove. Each of these items has been carefully considered in the context of this agreement and has been included for a purpose.

3. Warranties for authority of Buyer

You would not normally need a warranty of authority in a sale agreement because once the seller has his money; he has no further interest in the buyer. In this case however, the seller does have an interest. He wants the buyer to continue to look after his brand and to comply with other post purchase requirements. Although a

| 4. | Relationship of parties |
|----|---|
| | We have no comment |
| 5. | Entire agreement |
| | This paragraph prevents a party from later saying he was relying on some other document or website or what was said. These provisions are more important in an international trade agreement, when another country may have slightly different law on, for example, implied conditions. If other documents are to be relied |
| 6. | [ABC]'s representations as to intellectual property |
| | These points are necessary for the proper protection of the buyer. They are |
| 7. | Assignment of [FreeWheeler] |
| | This is the basis of the agreement. It is the actual transfer of property and statement of the |
| 8. | [ABC]'s understanding |
| | A paragraph like this is essential to protect the buyer from accusations of unfair exploitation of a solo inventor. Even if the inventor is a company or a sophisticated business person, this paragraph makes quite clear, the |
| 9. | The [FreeWheeler] trademark |
| | It may be important that the buyer has the right to use the name by which the invention is known. The inventor will not wish to include it in the sale, because he will want to be able to use it in other areas or |
| | |

| , |
|--|
| If the name of the invention is not important, and \blacksquare |
| The Patents |
| We have assumed in this agreement that the inventor does not wish to become involved in the expense and time of a patent application. Instead, he is happy to allow the buyer to apply at his own |
| |
| Other new Intellectual Property |
| The agreement assumes that the inventor insists on patent protection, but is unconcerned about other IP such as product name, domain names, |
| |
| Third party infringement |
| We have provided two alternatives. The first is the most usual. However, in this case, we have assumed that the inventor is the "small guy" and may not want to |
| |
| |
| Infringements leading to litigation are not common, but when they happen, the usual short notes found in legal agreements are |
| |
| We suggest you check these out and select • • • • • • • • • • • • • • • • • • • |
| Confidential Information |
| We have included this paragraph because a business has so many secrets ■ |
| |

11.

12.

13.

| 14. | Disclaimer |
|-------|--|
| | As stated, this disclaimer |
| | What disclaimer or warranty you give will depend on •••••••• |
| | |
| | |
| | We have provided • • • • • • • • • • • • • • • • • • |
| 15. | Indemnity by Buyer |
| | Very widely worded to ••••••••••••••••••••••••••••••••••• |
| 16. | The measure of damages |
| | A = = = = = |
| 17. | Publicity / Announcements |
| | This paragraph is largely to protect from • • • • • • • • • • • • • • • • • • • |
| 18. | Miscellaneous matters |
| | A number of special points. We have identified each of these as |
| | • |
| Sched | dule 1: [FreeWheeler] |
| | It is absolutely essential that you define the subject •••••.••••••••••••••••••••••••••••••• |
| | |

Schedule 2: Press release

Attach press release.

End of notes