

IN-IPipp26

Invention licence agreement

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This agreement is dated [date]

and made between: ABC Limited, a company incorporated in the Republic of India
[under company incorporation number [number] and]

[] (“ ”)

and DEF Inc, a company incorporated in Australia under [act / law], whose main
place of business [], (“ ”).

It is now agreed as follows:

1. Definitions

“Excalibur” means concepts, designs, drawings, suites of software programmes and other intellectual property created by the Licensor to be used to []
1 .

“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, their performance and ;

data or information relating to suppliers, product plans, marketing strategies, finance, performance, operations, customer , ;

information about the Intellectual Property, the Know-how and all ;

information created or arising from this agreement;

information owned by a third party and in respect of which a party

- ;
information, comment or implication published on
;

data or information relating to processes,
formulae, procedures, designs, drawings,
apparatus, ,
;

information about the Intellectual Property and
- ;

It does not include information that it is
reasonably necessary to disclose to a customer
or other person in the usual course

.

“Derived Product” means a software product or text or other material
in any medium which is based on or originated,
,

.

“DP Rights” means intellectual property rights in a Derived
Product.

"Intellectual 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, patents, trade marks, unregistered marks,
designs, copyrights, software, domain names,
discoveries, Know- ,
,

.

“Know-how” means scientific or technical information, and
other procedures and ways of working and
organising

.

“Licensed Material” means all Intellectual Property in Excalibur
together with the Supporting IP or

.

"Market"	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] [.]
"Person"	means a human individual, a corporate entity, a partnership, a governmental authority and any organisation which is managed or controlled as a unit. A reference to a person includes reference to that person's successors, legal representatives, permitted assigns and any Person to whom - , ' , .
"Royalty"	means the sums payable from time to time .
"Supporting IP"	means all intellectual property which is necessary or desirable for the operation and use of Excalibur but which is identifiably separate in substance . 2 .
"Third Party IP"	means intellectual property owned by some Person other than the parties, which has .
"Update"	means a revision, modification, improvement or corrected version of the Licensed Material, developed by the Licensor, .

2. Interpretation

In this agreement unless the context otherwise requires:

- 2.1. A reference to one gender shall include any or all genders and a reference to the singular may be interpreted
- 2.2. A reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context
- 2.3. The headings to the paragraphs and schedules (if any) to this agreement are inserted
- 2.4. Any agreement by any party not to do or omit to do something includes an obligation not to allow some
- 2.5. A reference to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information,
- 2.6. All money sums mentioned in this agreement are calculated net of GST, which
- 2.7. This agreement is made only in the English language. If there is any conflict in meaning between the English language version of this agreement and any version or translation of this agreement in any other language, the English language version shall prevail. If a version of this agreement

3. Warranties for authority

Each of the parties warrants to :

- 3.1. it is properly registered and operates under the laws of the incorporation and has full legal ;
- 3.2. it is not subject to any order, decree or injunction by a court of competent jurisdiction which could prevent ;

3.3. it is not aware of anything within its reasonable control which might or will adversely affect

;

3.4. it is not insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or to petition for winding

;

3.5. The Licensee warrants that its performance of

:

3.5.1 conflict with or result in the breach of any provision of

;

3.5.2 conflict with any law or

;

3.5.3 constitute a default (or event which with the giving

,

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4. Relationship of parties

4.1. Nothing in this agreement shall create a partnership,

,

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4.2. Neither party shall have, nor represent that it

,

,

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5. Entire agreement

5.1. This agreement contains the entire

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5.2. Each party acknowledges that, in entering into this agreement,

,

,

5.3. No express or implied licence of the

5.4. Conditions, warranties or other terms implied by

5.5. As an exception to the last

*[Enter list
].*

6. Licensor's representations as to Intellectual Property

The Licensor

6.1. the Licensor is either the owner of the entire right, title and interest in
and

;

6.2. to the best of the knowledge of the ,

;

6.3. *[except as listed in Schedule [number]]* no action has been

,

,

;

6.4. use of the Licensed Material

;

6.5. the Licensor shall not

.

7. The licence of Excalibur

7.1. The Licensee acknowledges that the Licensor owns all right, title and

7.2. For the licence fee of Rs [500,000], [receipt of which the
],

7.3. The Licensee shall not promote or sell Excalibur [
/],

7.4. The Licensee must not - [].

7.5. The Licensee may not allow any other

7.6. This grant includes the right to create /
.[
]

7.7. The licence may not ,
:

7.7.1 that the Licensor approves ();

7.7.2 that the assignee enters into an agreement directly with the
Licensor ,

7.7.3 that the Licensor is released /

7.7.4 the sub-licence is non-assignable.

7.8. So far as any goodwill is generated

7.9. Expiry of any patent, trademark or third party

[].

8. Licence of the Supporting IP

8.1. The Licensor grants to the Licensee a licence in perpetuity to

8.2. No licence fee

8.3. It is not required that

8.4. Products derived from

9. Third Party IP

9.1. Third Party IP is listed in Schedule 3.

9.2. The Licensor has obtained all necessary permissions and

9.3. The Licensor now grants a licence of in respect

10. Protection of Licensed Material

The Licensee agrees that it will:

10.1. not claim nor register any intellectual property right

;

10.2. not [within ten years] create, write or make

,

;

10.3. not use in its own business, any

;

OR

10.4. not use the name "Excalibur" as a

,

,

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OR

10.5. not use the name "Excalibur"

,

.

10.6. not represent that the Licensee is the owner

.

10.7. use its best endeavours to notify all Persons who

,

.

10.8. [attach appropriately to

[]).

10.9. not remove any identification or reference

.

10.10. not publish any

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:

10.10.1 denigrate the Licensor or

,

,

,

;

10.10.2 reduce the value of

.

11. Royalty calculation

11.1. In this paragraph, "Net Sales Value" means

the gross sales value of the goods and services sold by the Licensee to the end user, less the following:

11.1.1 normal trade

;

11.1.2 the costs of production, distribution, and sales; and

11.1.3 goods and services tax or other taxes levied on the goods and services sold by the Licensee to the end user;

11.1.4 bank charges on sales receipts;

11.1.5 sales commission payable to third parties;

11.1.6 sales taxes;

11.1.7 Other transaction taxes.

11.2. The Royalty is [five] per cent of the

Net Sales Value.

11.3. Royalty is payable for []
[].

11.4. On or before [day / date] in each [month / year] the

Licensee shall pay to the Licensor the Royalty for the preceding []
[] period.

11.5. The Licensee shall pay

.

11.6. Royalty payment shall be made

.

11.7. Payments shall be considered to have

.

11.8. Payments due but unpaid on the due date shall bear interest at a rate

[8] %,

11.9. Any tax which the Licensee is required by law

11.10. If money is withheld on account of tax, the Licensee shall

11.10.1 a written receipt for the tax paid;

11.10.2 other documentation necessary or desirable to enable

11.11. If tax is payable or money with held, the cost shall be borne by the

11.12. The Licensee shall keep complete and accurate records and books

11.13. the Licensor shall have the right, at its own cost and expense, not

[/]

11.14. Such accountants will have access on reasonable notice to the
Licensee's records during reasonable business hours for the

11.15. The accountants shall be instructed to disclose to

11.16. If any underpayment by the Licensee is greater than [ten] percent [10%] of the

11.17. The provisions of

12. Third party infringement

12.1. If either party becomes in any way aware of

12.2. The Licensor shall have the first right, but not the

12.3. The Licensor must notify the Licensee within [28]

12.4. The Licensee agrees to co-operate with the Licensor in any litigation or other enforcement action that the Licensor

12.5. All reasonable lawyers' fee and other expenses incurred by the Licensee in

12.6. The Licensee shall have the right to participate

12.7. The Licensee shall have no recourse against the Licensor arising out of the Licensor's handling of or decisions concerning

12.8. If the Licenser fails to take action on a matter which affects or

12.9. The Licensee may at any time discontinue

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

13. Continuing improvement of Licensed Material

13.1. The Licenser will maintain

13.2. The Licensee will co-operate with the Licenser so far as

13.3. If the Licensee shall reasonably so request, the

13.4. Any trademark registered under the terms of

13.5. If the Licensor declines to register a trademark requested

13.6. The Licensor will not abandon or allow lapsing any registration or application relating to the Supporting IP or other

14. Product Updates

14.1. If [within five years of today] the Licensor updates Excalibur and grants a licence of

[25]

%

14.2. The Update shall

15. New Intellectual Property

15.1. In this paragraph, "New Intellectual Property" means intellectual property of any

15.2. In the event that the Licensee creates, acquires or develops any New Intellectual Property, the Licensee hereby grants

16. Derived Products

16.1. When the Licensee creates

16.2. The Licensee now agrees that it will:

16.2.1

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16.2.2

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16.2.3

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16.2.4

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17. Training provision

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18. Confidential Information

18.1.

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18.1.1

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18.1.2

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18.1.3 , ,

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18.1.4

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18.1.5

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18.1.6 (

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18.2. This paragraph does not apply to disclosure:

18.2.1

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18.2.2

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18.2.3

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18.2.4

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18.2.5

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18.2.6

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19. Indemnity by Licensee

19.1.

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19.1.1

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19.1.2 its breach of this agreement;

19.1.3

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19.1.4

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19.1.5

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19.2.

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20. Indemnity by Licensor

20.1.

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20.2.

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20.2.1

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20.2.2 the Licensee has not contributed to the infringement;

20.2.3

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20.2.4

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20.2.5

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20.3.

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20.3.1

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20.3.2

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20.4.

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21. Indemnification process

21.1.

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21.2.

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21.5.

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21.6.

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21.7.

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22. The measure of damages

22.1.

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22.2.

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23. Publicity / Announcements

23.1.

OR

23.2. No party shall:

23.2.1 make any public announcement; or

23.2.2 disclose any information; or

23.2.3

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23.3. ,

23.4.

4 ,

24. Miscellaneous matters

24.1.

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24.2.

24.3.

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24.5.

24.6.

24.7.

24.8.

24.9.

24.10.

24.11.

24.12.

It shall be deemed to have been delivered:

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[] ;

24 ;

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24.13.

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24.14.

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24.15.

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24.16.

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24.17.

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24.18.

24.19.

Signed by [personal name] on behalf of [Licensor name] as its / his representative who personally accepts liability for the proper authorisation by [Licensor name] to enter into this agreement.

Signed by [personal name] on behalf of [Licensee name] as its / his representative who personally accepts liability for the proper authorisation by [Licensee name] to enter into this agreement.

Explanatory Notes:

Invention licence agreement

Paragraph Specific Notes:

Notes referring to specific paragraphs

1. Definitions

You should first decide on the contents of the document, then return to check what definitions are needed and whether they really

The definition relating to the subject matter of the agreement requires particular care on your part. If you are selling a licence for a dating site in a particular country, you can easily define the scope of the licence. However, if you are licensing a travel booking service, like those used by airlines, you will certainly want to limit the scope of the licence very carefully. If you do not, you may find your licensee is allowing his clients to use it for airlines, railways, hotels, and even adapting it for bespoke cars. He may sell it. But not only may he use your

We have provided for a separate deal in respect of supporting IP from that relating to the main subject of your licence. Only you know whether you need to make different provisions for some part of your licensed system. We have given a name to the main product (Excalibur) and used "Supporting IP" to cover stuff that has be licensed

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 search/replace function in your word processor to change them. If you do change a defined term, make sure it

2. Interpretation

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

The importance of these warranties is largely in removing a defence of "I did not realise" in the event of some error on the part of a party. These matters

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 web site 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

6. Licensor's representations as to intellectual property

This is your document. You do not have to offer anything more than the barest of licences. However, we assume that your counter party is as intelligent and well advised as you are. If so, it will require confirmation of some of these points. You can edit now, or take them out and put some back only after your counter party has

7. The Licence of Excalibur

This is the most important paragraph in the agreement because it records the essence of your deal. A licence may be limited in time, space, product, use and many more. Please do not rely on our having covered every

A limitation on sale outside the specified market is difficult to enforce. You should use it only where your product makes it

8. Licence of the Supporting IP

As we mentioned under “defined terms”, if you do not wish to specify supporting IP separately, delete this paragraph. If

() , .

9. Third Party IP

Care is needed in dealing with third party software. Most websites include items bought in, possibly downloaded from the Internet and subject to non-negotiable terms and conditions.

“ ” , .

Nothing you say here is binding on the supplier of the third party software, but

10. Protection of Licensed Material

When you grant the licence, you specify exactly what it covers. This paragraph places restrictions on the licensee in many areas. We suggest that you

, , .

We now mention the last sub-paragraph. It is an absolute defence to a defamation claim that the words complained of are true. However, this might charge; it may not be the same in all ; ; .

11. Royalty calculation

We have provided a complete proposal.

12. Third party infringement

It is not only your licensee who may cause problems for you. Infringements leading to litigation are not common, but when they happen, the usual short notes found in legal agreements are hopelessly inadequate.

, .

13. Continuing improvement of Licensed Material

Edit this paragraph according to your intentions. We have used the broad word “maintain” to cover “whatever needs to be done to keep it working”.

14. Product Updates

If you buy a licence today for a simple computer application, you will probably receive a message every year or so to invite you to buy the “upgrade”. It is assumed in this licence agreement that your licensee may intend

15. New Intellectual Property

The same considerations apply here as to updates. In this case however, it is your licensee

16. Derived Products

Derived products are the source of litigation the World over. The problem is to define what is derived and what is original. Western courts are reluctant to support any restriction on trade, so there is a tendency in most jurisdictions to favour the party who is using

We have favoured the licensor strongly in the wording of this paragraph. You may agree to share the value or to change the circumstances so that both sides benefit from derived products. Our advice is

17. Training provision

A reminder that you may need

.

18. Confidential Information

We have included this paragraph because a business has so many secrets which could easily be stolen that some safeguard is sensible. You should consider

"

"

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19. Indemnity by Licensee

Very widely worded to give strong protection to

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20. Indemnity by Licensor

A limited indemnity. This at

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,

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21. Indemnification process

This is a thorough "process"

.

.

22. The measure of damages

The first sub-paragraph gives contractual force to

"

"

,

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The second sub-paragraph also re-inforces what may already be

,

-

.

An order of the Court

.

23. Publicity / Announcements

This paragraph is largely to protect from .

.

24. Miscellaneous matters

A number of special points. We have identified each of these as

, .

.

Schedule 1

It is absolutely essential that you define Excalibur clearly.

, “ ” .

Schedule 2

The same comments apply as for Schedule 1.

Schedule 3

The same comments apply as for Schedule 1.

Schedule 4

Attach press release.

Schedule 5

Delete if there is no training provision

End of notes