

NZ-IPipp37

IP sub-licence agreement: copyright work

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Schedule 1: the Library

Schedule 2: Supporting IP

Schedule 3: Litigation

Schedule 4: Publicity / Announcements

This agreement is dated [date] :

Brian Badger, of [full address] (the “ - ”);

DEF plc, a company incorporated in New Zealand, whose [registered office / main place of business] is [], (“ - ”).

It is now agreed as follows:

1. Definitions

“The Library” means concepts, designs, drawings and other intellectual property created by the Sub-Licensors to be used to [enter short] [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 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 the Library together with the Supporting IP
"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 the Library but which is identifiably separate in substance

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2 .

"Update" means a revision, modification, improvement or corrected version of the Licensed Material, developed by the Sub-

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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

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2.2 in connection with any benefit given by this agreement, a reference to a party includes

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- 2.3 a reference to a paragraph or schedule is to a paragraph or schedule to this agreement unless the context
- 2.4 the headings to the paragraphs and schedules (if any) to this agreement are inserted
- 2.5 any agreement by any party not to do or omit to do something includes an obligation not to allow some
- 2.6 a reference to the knowledge, information, belief or awareness of any Person shall be deemed to include the knowledge, information,
- 2.7 all money sums mentioned in this agreement are calculated net of GST, which
- 2.8 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 [he / it] is properly registered and operates under the laws of the [country / state / province] of its
- 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 Each of the parties warrants and undertakes that it is not aware of anything within its reasonable control which might or will
- 3.5 Each of the parties warrants that it is not insolvent and knows of no circumstance which would entitle any creditor to appoint a receiver or to petition
- 3.6 Each of the parties warrants that its performance
- 3.6.1 conflict with or result in the breach of any provision of its memorandum and articles of association or constitution of the company or any comparable document regulating the
- 3.6.2 conflict with any law or governmental regulation in any jurisdiction in which the
- 3.6.3 constitute a default (or event which with the giving of

4. Relationship of parties

- 4.1 Nothing in this agreement shall create a partnership,

OR

- 4.2 The Sub-Licenser is [a director / an employee] of the Sub-Licensee.

- 4.3 Neither party shall have, nor represent that it

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,

, ,

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5.3 No express or implied licence of the

-

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5.4 Conditions, warranties or other terms implied by

.

5.5 As an exception to the last

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*[Enter list
].*

6. Sub-Licensor's representations as to Intellectual property

The Sub- :

6.1 the Sub-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 3]*, no action has been brought

,

,

-

;

- 6.4 use of the Licensed Material - ;
- 6.5 [the Sub-Licensors shall].

7. The Licence of the Library

- 7.1 the Sub-Licensee acknowledges that the Sub-Licensors owns all right,

- 7.2 For the licence fee of \$ [500,000], [receipt of which the Sub-
]

- 7.3 the Sub-Licensee shall not promote or sell the [/],

- 7.4 The Licence may not , :

- 7.4.1 that the Sub-Licensors approves (-);

- 7.4.2 that the assignee enters into an agreement directly with the Sub- ,

- 7.4.3 that the Sub-Licensors is /

- 7.4.4 the sub-licence is non-assignable.

- 7.5 So far as any addition or improvement to ,

7.6 Expiry of any patent, trademark or third party

[].

7.7 So far as any goodwill is generated by -

- .

8. Licence of the Supporting IP

8.1 The Sub-Licensors grants to the Sub-Licensee a

.

8.1.1 No licence fee

.

8.1.2 The licence is non-exclusive.

8.1.3 It is not required that

.

8.2 Products derived from ,

.

9. Terms of sub-licences

9.1 So long as this Licence subsists, the Sub-

-

-

:

9.1.1 use by the sub-Sub-Licensee

-

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9.1.2 the sub-licence -

-

;

9.1.3 the Licensed Material may not be

.

9.1.4 shall be granted in terms set out in

OR

9.1.5 each such sub-licence agreement shall be

9.2 A sub-licence may be granted to any person in connection with the business of the

9.3 On no account shall any obligation or liability of

10. Protection of Licensed Material

The Sub-Licensee agrees that it will:

10.1 not claim nor register any intellectual property right in the

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

10.3 not use in its own business, any

OR

10.4 not use the name "the Library"

10.5 [not represent that the Sub-Licensee is the

-].

10.6 [use its best endeavours to notify all Persons who may

,
-
-].

10.7 [Attach appropriately to every

[]].

10.8 not remove any identification or reference

.

10.9 not publish any

:

10.9.1 denigrate the Sub-

, ; ,

10.9.2 reduce the value of

-

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11. Royalty calculation

11.1 In this paragraph, "Net Sales Value" means the invoiced price

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-
:
;

11.1.1 normal trade

;

11.1.2 the costs

, , ;

11.1.3 goods and services tax or

,
;

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

- - -

11.3 Royalty is payable for []
[].

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

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, , ,
.

11.5 the Sub-Licensee shall

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11.6 Royalty payment shall be made in

- .

11.7 Payments shall be considered to have been

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

[8

] %, .

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11.9 Any tax which the Sub-Licensee is required by

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

- . ,
- - :

11.10.1 a written receipt for the tax paid;

11.10.2 other documentation necessary or desirable to enable the

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11.11 If tax is payable or money withheld, the cost shall be borne by the Sub-

11.12 the Sub-Licensee shall keep complete and accurate records and

11.13 the Sub-Licenser shall have the right, at its own cost and expense, not

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

11.15 The accountants shall be instructed to disclose to the

11.16 If any underpayment by the Sub-Licensee is greater than ten percent (10%) of the amount previously

11.17 The provisions of

12. Third party infringement

12.1 If either party becomes in any way aware of

12.2 The Sub-Licensors shall have the first right, but not the last, to exercise the rights of the Licensor under the License, and the Sub-Licensee shall not exercise such rights without the prior written consent of the Sub-Licensors.

12.3 The Sub-Licensors must notify the Sub-Licensee within [28] days of the date of the Sub-Licensors' receipt of any notice from the Licensor.

12.4 The Sub-Licensee agrees to co-operate with the Sub-Licensors in any litigation or other enforcement action that the Sub-Licensors may bring in connection with the License.

12.5 All reasonable lawyers' fees and other expenses incurred by the Sub-Licensee in connection with the enforcement of the License shall be borne by the Sub-Licensors.

12.6 The Sub-Licensee shall have the right to assign its rights and obligations under the License to any third party.

12.7 The Sub-Licensee shall have no recourse against the Sub-Licensors arising out of the Sub-Licensors' handling of the License.

12.8 If the Sub-Licensors fail to take action on a matter which affects or may affect the Sub-Licensee's rights under the License, the Sub-Licensee shall have the right to take such action on its own behalf.

12.9 The Sub-Licensee may at any time terminate the License if the Sub-Licensors fail to comply with the terms of the License.

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 Sub-Licensors

13.2 The Sub-Licensee will co-operate with the Sub-Licensors so

13.3 If the Sub-Licensee shall reasonably so request, the

13.4 Any trademark registered under the terms of this

13.5 If the Sub-Licensors declines to register a trademark requested

13.6 The Sub-Licensors will not abandon or allow to lapse any registration or application relating to the Supporting IP, Supporting

14. Product Updates

14.1 [] -
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[25] %
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14.2
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15. Derived Products

15.1 - ,
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15.2 - :
15.2.1 -
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15.2.2 -
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15.2.3 -
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15.2.4 -
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16. Confidential Information

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16.1.1

16.1.2

16.1.3

[. . . .]

16.1.4

16.1.5

16.1.6

16.2 This paragraph does not apply to disclosure:

16.2.1

16.2.2

16.2.3

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17. Indemnity by Sub-Licensee

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17.1.2 its breach of this agreement;

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17.1.5

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17.2 (

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18. Indemnity by Sub-Licenser

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19. Indemnification process

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19.7

20. The measure of damages

20.1

20.2

21. Publicity / Announcements

21.1

OR

21.2 No party shall:

21.2.1 make any public announcement; or

21.2.2 disclose any information; or

21.2.3

21.3

21.4

4 ,

22. Miscellaneous matters

22.1

22.2

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It shall be deemed to have been delivered:

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

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

Schedule 1: Library

Schedule 2: Supporting IP

Schedule 3: Litigation

Schedule 4: Publicity / Announcements

Explanatory Notes:

IP sub-licence agreement: copyright work

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 sub-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. Many buyers will wish to delete the references to supporting IP. We have given a name to the main product (the Library) and used "Supporting IP to cover stuff that has be

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. Sub-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 told you

7. The Licence of the Library

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. Terms of sub-licences

The most important protection for the sub-licensor is in the drafting and consistent use of the sub-licences granted by the sub-licensor. They should be standard and inflexible, so far as possible - easy for products sold via the Internet

Other terms could be included here by way of definition or restriction on the terms of a sub-licence.

10. Protection of Licensed Material

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

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 sub-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

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 sub-licensee may

15. 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 sub-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

16. 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

17. Indemnity by sub-licensee

Very widely worded to give strong protection to sub-licensor the party protected is the

18. Indemnity by sub-licensor

A limited indemnity this at least would

19. Indemnification process

This is a thorough “process”

20. The measure of damages

The first sub-paragraph gives contractual force to

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

An order of the Court

21. Publicity / Announcements

This paragraph is largely to protect from

22. Miscellaneous matters

A number of special points we have identified each of these as important

Schedule 1: the Library

It is absolutely essential that you define

Schedule 2: Supporting IP

The same comments apply as for Schedule 1.

Schedule 3: Litigation

The same comments apply as for Schedule 1.

Schedule 4: Publicity / Announcements

Attach press release.

End of notes