

**DATED << >>**

**(1) << >>**

**(2) << >>**

## **PATENT ROYALTY AGREEMENT**

**THIS AGREEMENT** is made the <<insert day>> day of <<insert month>> <<insert year>>

**BETWEEN:**

- (1) <<Name of Licensor>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<Address>> ("the Licensor") and
- (2) <<Name of Licensee>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<Address>> ("the Licensee")

**WHEREAS:**

- (1) The Licensor has developed and is the beneficial owner of a substantial body of valuable Technical Information as defined below relating to the manufacture, assembly, and commercial operation of the Product(s) and is the beneficial owner of the Patent Rights relating thereto as defined below.
- (2) The Licensee wishes to receive and the Licensor is willing to grant a licence on the terms and conditions set out in this Agreement to use such information and to work under the said Patent Rights in order to manufacture, use, sell or otherwise deal in the Product(s).

**IT IS AGREED** as follows:

**1. Definitions and Interpretation**

- 1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

<b>"Copyright"</b>	means all copyright and rights in the nature of copyright to which either Party may now be or may subsequently become entitled in or in respect of all drawings and other documents, recordings in any form and all other articles bearing or embodying any part of the Technical Information;
<b>"Effective Date"</b>	means [the date of this Agreement] <b>OR</b> [<<insert date>>];
<b>"Improvements"</b>	means all improvements, modifications or adaptations to any part of the Technical Information which might reasonably be of commercial interest to either Party in the design manufacture or supply of the Product(s) or in the operation of the Process and which may be made or acquired by either Party during [the Improvements Period] <b>OR</b> [the Term];
<b>"Improvements Period"</b>	means the period from the Effective Date to the <<insert anniversary>> anniversary thereof;

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ales value of the transaction exclusively for al trade discounts actually given by the Licensee s and excluding or ny costs of packing, and Value Added Tax or of export orders, any ble governmental levies or n all cases to the same stomer invoices. In any oduct(s) or part thereof gth transaction market price (if higher) in shall be substituted for

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may hereafter be filed in the Licensor which either from any of the foregoing which are in respect of any other Party is exclusively granted pursuant to any of s;

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the Process>>
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The Product(s)>>:

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consideration of the rights  
set out in Clause 6;

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the Product(s) or the  
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sign manufacture or  
e operation of the

[illegible]

territory&gt;&gt;.

in this Agreement to:  
includes a reference to any  
facsimile transmission or  
reference to that statute or  
relevant time;  
Agreement and each of the  
the relevant time;

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- 1.2.5 a Clause or paragraph of this Agreement (other than the Schedule) shall be construed in accordance with the relevant Schedule; and
- 1.2.6 a "Party" or the "Parties" shall mean the Party or Parties to this Agreement.
- 1.3 The headings used in this Agreement shall be for convenience only and shall have no effect upon the interpretation of this Agreement.
- 1.4 Words imparting the singular shall include the plural and vice versa.

## 2. Technical Information

- |     |  |   |
|-----|--|---|
| 2.1 | [Within <<insert period>> days<br>OR [Forthwith on receipt from the Licensor of the Technical Information in its possession or control, or as may be reasonably necessary or desirable for the Licensee to develop the Process and to design, manufacture and sell the Product(s) of a quality at least equivalent to that of the Product(s) being produced by the Licensor at the Effective Date]   | agreement by both Parties] the initial sum due pursuant to the Licensee with all Technical Information has already been disclosed that is sufficient for the Licensee to operate the Process on a commercial scale and sell the Product(s) being produced by the Licensee.  |
| 2.2 | In pursuance of sub-Clause 2.1 the Licensee, supply within 6 months or such other period as may be mutually agreed in writing, the services of its staff in the United Kingdom [without the transfer of Technical Information to the Licensee] in paragraph a "man day" meaning one member of the Licensor's staff.  | at the request of the Licensee on the Effective Date or such other period as may be mutually agreed in writing (<<insert period>> man days) at the Licensor's premises in the United Kingdom for the transfer of Technical Information to the Licensee. This and the next following paragraph shall apply for the hours during which one member of the Licensee's staff is engaged.   |
| 2.3 | If the Licensee so requires the Licensor will be provide the transfer of Technical Information to the Licensee for no longer than <<insert period>> man days in total. <<insert class / grade>> remuneration for each such member of the Licensee's staff shall be paid by the Licensee.]  | by suitably qualified staff of the Licensor at the Licensee's premises to assist in the development of the Process. Such assistance will be provided without charge having regard to all the expenses incurred for longer than <<insert period>> man days the travelling costs of one member of the Licensee for each such member of the Licensee's staff. The costs shall be paid by the Licensee.   |
| 2.4 | If the Licensee requires additional assistance the Licensee will endeavour to provide it but the Licensee shall pay the additional assistance so given by the Licensor at the rate of £<<insert sum>> for each day (including travelling time) that each member of the Licensor's staff is so engaged (including travelling time) plus all disbursements and subsistence reasonably incurred together with the cost of any insurance cover as the Licensor may consider appropriate. All payments under this sub-Clause shall be made in <<insert currency>> to the Licensee in writing by the Licensor. | The Licensor will use reasonable endeavours to provide it but the Licensee shall pay the additional assistance so given by the Licensor at the rate of £<<insert sum>> for each day (including travelling time) that each member of the Licensor's staff is so engaged (including travelling time) plus all disbursements and subsistence reasonably incurred together with the cost of any insurance cover as the Licensor may consider appropriate. All payments under this sub-Clause shall be made in <<insert currency>> to the Licensee in writing by the Licensor. |
| 2.5 | The Licensor warrants that the Technical Information disclosed to the Licensee has been disclosed to the best of the Licensor's knowledge and belief, and will promptly correct any significant error subsequently discovered by the Licensee.   | The Licensor warrants that the Technical Information disclosed to the Licensee has been disclosed to the best of the Licensor's knowledge and belief, and will promptly correct any significant error subsequently discovered by the Licensee.  |

prejudice to the Licensor's obligation to be under no further liability in respect of the Technical Information or of the manufacture of the Process or Product(s).

Under Clause 2.1 the Licensor shall be under no further liability in respect of the Technical Information or of the manufacture of the Process or Product(s).

2.6 The Licensee shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

2.7 The Licensee undertakes that for a period of >> years from the Effective Date or for so long as the Technical Information remains in the possession of the Licensee, whichever is the shorter, it will not use the same for any purpose other than that expressly licensed hereby and in accordance with the terms of the License.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

### 3. Improvements

3.1 Each Party shall forthwith disclose to the other any improvements as that other may reasonably require in order to enable it to acquire during the term of the License any improvements which would disclose information which is subject to confidentiality obligations in favour of a third party.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

3.2 Improvements that the Licensee discloses to the Licensor under sub-Clause 3.1 shall be deemed to be improvements for the purposes of the rights granted to the Licensee under Clause 5.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

3.3 The Licensor shall have a non-exclusive licence without limit of time to use all Improvements the Licensee discloses to the Licensor under sub-Clause 3.1 hereof and in respect thereof owned by the Licensee.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

3.4 Save as otherwise provided in the License, all improvements arising from work carried out by the Licensee shall be the exclusive property of the Licensee and Improvements carried out by the Licensee shall remain the exclusive property of the Licensee.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

3.5 Improvements arising from the Licensee shall belong to the Parties equally unless they shall agree otherwise. Each Party shall have the right to use such improvements independently of the other and to the extent necessary for the purpose of the License under all jointly held patents. The Licensee shall have the right to grant sub-licences thereunder, save that the Licensee hereby undertakes that it shall not grant a licence to any prospective licensee of the other the right to use such a licence.

Under Clause 2.1 the Licensor shall be responsible for the technical and commercial operation of the Process or developments thereto throughout the term of the License or for the Product(s) sold or supplied by the Licensee. The Licensee shall indemnify the Licensor in respect of all losses, damages and expenses incurred as a result of any claims against the Licensee or otherwise against the Licensee arising in any way from the use of the Technical Information by the Licensee.

#### 4. Confidentiality

- 4.1 Each Party agrees to maintain confidential all Technical Information obtained from the other pursuant to this Agreement and prior to and in contemplation of its disclosure to and in contemplation of its disclosure to the other in the course of the performance of the obligations of this Agreement, to use the same solely for the purposes of this Agreement, and to disclose the same only to its employees [, contractors] and sub-licensees pursuant to the terms of this Agreement, to whom and to the extent that such disclosure is necessary for the purpose of this Agreement.
- 4.2 The foregoing obligations shall not apply to Technical Information or other information which is in the possession of the other Party prior to receipt thereof by the other and at its free choice.
- 4.2.1 prior to receipt thereof by the other and at its free choice.
- 4.2.2 is subsequently disclosed by the other Party without any obligations of confidence by any person to whom it is disclosed, whether directly or indirectly from the other Party.
- 4.2.3 is or becomes generally known or available to the public [in printed publications or otherwise] through no act or default of the other Party.
- 4.3 Notwithstanding the foregoing, the other Party may disclose Technical Information pursuant to this Agreement to its employees and any sub-licensees for the purpose of developing or improving Product(s) in so far as such disclosure is reasonably necessary for the development or use of Product(s).
- 4.4 Each Party shall procure that its employees [, contractors] and sub-licensees pursuant to this Agreement who have access to any Technical Information shall be made aware of and subscribe to the obligations of sub-Clause 4.1 apply shall be made aware of and subscribe to the obligations of sub-Clause 4.1 and shall further procure that its employees [, contractors] and sub-licensees shall enter into a written agreement in favour of the other Party to this end [in the form of a document approved by the Licensor].

#### 5. Grant of Rights

- 5.1 The Licensor hereby grants to the Licensee the right to use the Technical Information and under the Patent Rights in the United Kingdom (the "Territory") for the purpose of developing or improving Product(s); and
- 5.1.1 [an exclusive] OR [a non-exclusive] license to use the Technical Information and under the Patent Rights in the United Kingdom (the "Territory") for the purpose of developing or improving Product(s); and
- 5.1.2 [an exclusive] OR [a non-exclusive] license to use sell or otherwise dispose of Product(s) in the Territory in accordance with the terms of sub-Clause 5.1.1 above.
- 5.2 [The Licensee shall further agree to use the Technical Information and under the Patent Rights so far as the same extend to a territory other than the Territory licensed under sub-Clause 5.1 above.]
- OR
- [The Licensor hereby agrees to grant to the Licensee the right to use the Technical Information and under the Patent Rights in the United Kingdom (the "Territory") for the purpose of developing or improving Product(s); and

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|    | 5.2.1          | [an exclusive] OR [a non-exclusive]  | under the Patent Rights to manufacture Product(s); and  |
|    | 5.2.2          | [an exclusive] OR [a non-exclusive]  | to use sell or otherwise dispose of the right of Licence in the presence of sub-Clause 5.2.1.   |
|    | 5.3            | The Parties agree to execute the Agreement substantially as set out in Schedule 3 for the purposes of any patent licence granted pursuant to sub-Clause 5.2.   |   |
|    | 5.4            | The Licensee shall be entitled to grant sub-licences to its wholly owned subsidiary (as defined in Section 1159(4) of the Companies Act 2006) of the Licensee for so long as it is such a [wholly-owned subsidiary] under the rights granted or to be granted under sub-Clauses 5.2.1 and 5.2.2 provided that the Licensee shall remain responsible for all activities carried out by sub-licensees as though they were by the Licensee. The Licensee shall notify the Licensors of any sub-licence granted pursuant to this Clause. |   |
|    | 5.5            | For the avoidance of doubt, the Licensee has no right hereunder to manufacture or use the Process otherwise than as licensed without prejudice to the foregoing.   | that the Licensee shall have no right to manufacture Product(s) or to use the Process other than as licensed by the Licensee hereby, and subject to the following exceptions:   |
|    | 5.5.1          | the Licensee will not be permitted to export any part of the European Union outside the territory where subsisting patent rights are hereunder licensed to the Licensee;   | <<insert period>> years from the date when first put on the market in Europe by the Licensor or the Licensee or any licensee of the Product(s) into any part of the European Union outside the Territory if there exist in such part of the European Union subsisting patents licensed to the Licensee by the Licensor;                                     |
|    | 5.5.2          | following the period <<insert period>> years as defined in clause 5.5.1 above the Licensee may export the Product(s) on the market in the Territory that is licensed to the Licensee under subsisting patents rights hereunder, and will not be limited at such particular distribution depot for sale.  | years as defined in clause 5.5.1 above the Licensee may actively pursue a policy of putting the Product(s) on the market in the European Union outside the Territory of the Licensor under subsisting patents rights licensed to the Licensee by the Licensor of Product(s) specifically for sale through branch or maintain any sales office in that part. |
|    | 5.6            | The Parties agree to give possession necessary to the Licensee of the period of <<insert period>> years referred to include a provision to the same effect as those contained in 5.5 in all other licences it may grant under patent rights in the European Union parallel to those licensed to the Licensee.  | it, all information in their possession during the period of <<insert period>> years referred to in 5.5 and the Licensor agrees to ensure that the provisions of 5.5 in all other licences it grants under patent rights in the European Union parallel to those licensed to the Licensee.  |
| 6. | <b>Payment</b> |  |   |
|    | 6.1            | Within <<insert period>> days after the date of signature of the Agreement the Licensee shall pay to the Licensor an initial sum of <<insert amount>> Euros (<<insert number>> million).   | the Licensee shall pay to the Licensor within <<insert period>> days after the date of signature of the Agreement the sum of <<insert amount>> Euros (<<insert number>> million).   |
|    | 6.2            | Subject to sub-Clause 6.7 the Licensee shall, during the continuance of this Agreement pay to the Licensor the sum of <<insert percentage>>% of the Net Sales Value of all Products supplied for money or money's worth.   | during the continuance of this Agreement the Licensee shall pay to the Licensor the sum of <<insert percentage>>% of the Net Sales Value of all Products sold or otherwise disposed of for money or money's worth.  |
|    | 6.3            | If any Product(s) are incorporated into equipment or apparatus sold by the Licensee,   | equipment or apparatus sold by the Licensee,  |

- the Licensee or any sub-licence which is included in the price for the other equipment Net Sales Value for the purpose of calculating Royalty shall be that proportion of the Net Sales Value of that apparatus which is fairly attributable to such Product manufacturing cost of the other equipment or apparatus to the components thereof.
- 6.4 Payments due under sub-Clause 6.2 shall be made within <<insert period>> days of the end of each calendar year or of Royalties accruing on Product(s) invoiced in that calendar year.
- 6.5 If the Royalties payable under sub-Clause 6.2 in any year of this Agreement are less than £<<insert sum>> the Licensee shall pay the difference between the sum payable under sub-Clause 6.2 within <<insert period>> of the end of the calendar year concerned failing which the Licensee shall be deemed to have agreed to terminate all the licences hereunder] **OR** [to terminate the licence granted to the Licensee for the exclusive use of the Product(s) for the period of <<insert period>> years.]
- 6.6 All sums due under this Agreement shall be payable in sterling which shall be payable in addition on the rendered invoice or on any appropriate Value Added Tax invoice;
- 6.6.1 Payments shall be made in <<insert currency>> credit of a bank account to be designated in writing by the Licensee. [Conversion into <<insert currency>> shall be made at the rate of exchange ruling on the day payment is due;
- 6.6.2 shall be made in <<insert currency>> credit of a bank account to be designated in writing by the Licensee. [Conversion into <<insert currency>> shall be made at the rate of exchange ruling on the day payment is due;
- 6.6.2.1 in the case of sterling at the rate of exchange ruling on the day payment is due; calendar <<insert period e.g. quarter>> in which payment is due;
- 6.6.2.2 in the case of sterling at the rate of exchange ruling on the day payment is due; whichever is earlier;
- provided always that the rate of exchange ruling is made after the date of payment and at the rate ruling at the date of payment if the Licensee is the Licensor.]
- 6.6.3 shall be made in full net of any taxes, charges and other duties that may be payable by the Licensee as any such deduction may be credited in full against the Licensor's own tax liabilities. The Parties shall take all respects necessary to take advantage of any such agreements as may be available.
- 6.7 If the Licensor should hereafter grant to any third party with the right to sell the Product(s) under all the rights granted to the Licensee in the United Kingdom] **OR** [in any part of the Territory] on a royalty basis than those herein it shall notify the Licensee for its option, to be exercised within days of the date of notification shall have the option, to be exercised within days of the date of notification of adopting all the terms of the licence granted and shall be bound thereby including any which shall be provided that in comparing royalty provisions the Licensor shall have the option of reasonable monetary value to any rights granted to it pursuant to the licence granted to the Licensee.



## 7. Records and Reports

- 7.1 The Licensee agrees to keep records and books of account containing all data necessary for the calculation of Royalties payable under sub-Clause 6.2, which records shall be available for inspection by [the Licensor or its authorised agent] [an independent accountant selected by the Licensor] [an independent accountant selected by the Licensee] (which acceptance shall not be unreasonably withheld) for the purpose of verifying the accuracy of the Licensee's Royalty calculations. The accountant may take copies of the records and shall not disclose to the Licensor or affairs of the Licensee any information received or have been contained in any statement required to be submitted to the Licensor. The Licensee shall be solely responsible for the accuracy of the accountant's reports and shall certify that any reports are true and correct in all material respect] in which event the Licensee shall reimburse the accountant for all his costs.]
- 7.2 The Licensee shall submit to the Licensor within <<insert period>> days of the end of each calendar <<insert period>> a statement setting forth with respect to the operation of the License under during that period [the quantity of Product(s) sold] [the Net Sales Value of Product(s)].
- 7.3 The Licensor agrees to maintain the confidentiality of financial information received from the Licensee in accordance with the provisions of Clause 10.1 to the foregoing sub-Clauses 7.1 and 7.2.

## 8. Performance

- 8.1 During the continuance of the License, the Licensee shall:
- 8.1.1 use all reasonable efforts to promote the distribution and sale of Product(s) in the Territory and will make available all resources reasonably permit and will make available all manufacturing, selling and manufacturing facilities to meet all reasonable demand for Product(s) throughout the Territory. The Licensee shall endeavour to maximise such demand, consistent only with the Licensee's reasonable rate of return on its assets employed in the production of Product(s);
- 8.1.2 ensure that all Product(s) meet all such reasonable specifications and shall from time to time apply reasonable specifications thereto and satisfy all reasonable requirements thereof and shall upon reasonable notice from the Licensor or its authorised representative free of charge permit the Licensor or its authorised representative to the premises of the Licensee for the purpose of verifying the Licensee is observing these obligations;
- 8.1.3 sell Product(s) to a reasonable extent independently of any other products of the Licensor;
- 8.1.4 ensure that all literature relating to Product(s) bears an appropriate label quoting relevant information and relating to the effect that they are subject to a licence and shall attach to all Product(s) a label quoting relevant information relating that such Product(s) are made under licence.

8.1.5 include in the terms Product(s) a guarantee for at least the period of supply, replace at its supplied by it that a through inadequate v

8.1.6 provide adequate sealant and/or supplied by the manufacturer.

8.1.7 not act as agent of the Licensor or third parties in connection with the License Agreement or the Product(s) not make any representation or warranty on behalf of the Licensor.

8.2 The Licensee shall forthwith to meet any reasonable material requirements of the Licensors to supply the requirements to another licensee.

8.3 The Licensee shall not during the period of <<insert period>> be directly or indirectly connected with the supply of any other supply in any part of the reason of their properties and any Product(s) [other than the immediately prior to the Effective

8.4 The Licensee shall at its own expense, defend, hold harmless and indemnify the Licensor from and against any and all claims, damages, losses, costs and expenses, including reasonable attorneys' fees, incurred by the Licensor in connection with any licence agreement executed by the Licensee.

## 9. Patents

9.1 The Licensor shall, at its option, grant to the Licensee a non-exclusive license under any and all [United Kingdom] patent applications and patents owned by or assigned to the Licensor, in the field of the invention, to make, use, sell, offer for sale, import, export and otherwise dispose of the invention in the [United Kingdom] territory, without prejudice to the validity of third party [United Kingdom] patents within the territory.

9.2 [The Licensor undertakes to be necessary to halt any in Rights in the Territory on su business in the Product(s) reasonable chance of such cost of any such proceeding of such infringement [and a after the deduction of the L infringer as a licensee und favourable than those provid

**OR**

[In the event of any infringement of the Territory on such a scale as to cause substantial damage to the Product(s) to a substantial degree, the Licensee shall take steps to halt such infringement.]

or other supply of the Licensee will, during at the date of such sale or of charge any Product(s) of faulty manufacture or

Product(s) manufactured

ally not give any indication  
nd in advertising or selling  
ve any warranty on behalf

for any reason it is unable  
sufficient information to enable  
appropriate or to pass the

the Agreement and for a  
of its termination for any  
(whichever is the sooner)  
ture, distribution, sale or  
ufactured goods which by  
mercially competitive with  
tured by the Licensee

procure the registration of  
3.3 hereof.

ute to grant all subsisting  
ent Rights so as to secure  
tent with avoiding serious  
shall maintain all [United  
r the full terms thereof.

(any proceedings) as may  
party of any of the Patent  
prejudicially the Licensee's  
ent wherever there is a  
The Licensors will bear the  
y the Licensee by reason  
or any damages awarded,  
proceedings] or procure the  
Rights on terms no more  
under.]

any of the Patent Rights in  
by the Licensee's business  
ee may take all legitimate  
advice from experienced

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patent counsel that infringing proceedings where relevant. The Licensee may request the Licensor to provide reasonable assistance, the Licensee giving it an indemnity for the costs that it may incur including the aggregate of all such costs in connection with the following provisions. Where proceedings are brought by the Licensee under the License, the Royalties due under sub-Clause 3.1 shall be notified by the Licensee to the Licensor to defray any costs directly incurred (including in favour of third parties) provided that the Royalties of the Licensor hereunder shall be the sum of all Royalties due subsequent to the date of the final decision in the proceedings and provided further that this provision shall not prevent the Licensee from due diligence in pursuing proceedings and any costs recovered shall be dealt with as between the Licensor and the Licensee.

9.3 To the best of the Licensor's knowledge, no patents have been granted or to be granted in respect of the Product(s) which might infringe or be infringing of valid patents of the Licensor. The Licensor gives no warranty in this respect against costs, damages, expenses or losses incurred or brought against the Licensee by the Licensor or any third party. Should the Licensee be found liable for infringement of the third party by reason of the use of the Product(s) or sale of the Product(s) the Licensee shall be obliged to defend its defence to such action and the Licensor shall be obliged to do so but shall not be liable for the costs thereof. All costs of any such proceedings shall belong all sums that may be awarded to the Licensee.

9.4 If at any time during this Agreement the Licensee or assists any third party to bring proceedings or application within the Patent Rights or assists any third party to dispute the validity of any of the claims thereof the Licensee shall be obliged to determine all or any of the claims and to defend the same to the Licensor.

9.5 Where one Party hereto has disclosed to the other Party information which may be subject to sub-Clause 3.1 applies it shall be obliged to disclose in writing of all information which it has or other protection should be granted to the other whether it intends to do so and if the other Party so requests the first Party shall notify the first Party that it has disclosed the information and if it is agreed between the Parties that the first Party shall be obliged to prepare and file an application for patent protection.

9.6 Either Party may at any time

including any interlocutory proceedings and the chance of success the Licensee may request the Licensor to such proceedings and the Licensor will do so subject to the Licensee's costs, damages and expenses incurred by the Licensee against it [insofar as the Licensee is able to recover under the provisions of the Licensee's proceedings are conducted by the Licensee may apply all the costs of the Licensee subsequent to the date of the Licensee's relevant infringement to the Licensee's proceedings excluding award of costs in respect of the Licensee's total liabilities or waiver of the Licensee's liabilities in instances exceed the sum of the Licensee's costs to the date of the delivery of the Licensee's proceedings and provided that the Licensee exercising all the Licensee's proceedings conclusion]. Any damages awarded shall be fair and reasonable.

the exercise of the rights of the Licensee under the License shall not result in the Licensee's exercise of the Licensee's rights thereto the Licensor gives the Licensee any indemnity arising out of proceedings brought against the Licensee by any third party in respect of any patent or patents of the Licensee in respect of the Licensee's process or manufacture use of the Licensee's process, assist the Licensee in the Licensee's process in all the circumstances it is in the Licensee's process no obligations in respect of the Licensee's process by the Licensee to whom the Licensee's process third party.

directly or indirectly opposes the Licensee's process or assists the Licensee's process directly or indirectly assists the Licensee's process within the Patent Rights or the Licensee's process at any time thereafter to the Licensee's process under forthwith by notice of the Licensee's process.

an Improvement to which the Licensee's process or do anything that might the Licensee's process frequently be granted on it the Licensee's process period>> working days from the Licensee's process to consider whether patent the Licensee's process party will on request notify the Licensee's process protection. If it does not wish the Licensee's process period>> working day period the Licensee's process or other protection, and if the Licensee's process party may do so, then this the Licensee's process the Licensee's process reasonably required to the Licensee's process protection.

the Licensee's process election elect not to pursue the Licensee's process.

further an application for patent to maintain any such patent so electing shall notify the rights it may have therein to not to pursue the application irrevocable licence under all

9.7 Subject to the foregoing each for any invention not made provided however that the any confidential information

9.8 Subject to the provisions Licensee shall share equally patent applications to grant countries.

## 10. Term and Termination

10.1 Unless terminated earlier in Clause 10 this Agreement shall years from the Effective Date Clause 10.2, continue there by either Party giving month

10.2 Subject as hereinafter provided Territory until expiry of the unless earlier terminated in Clause 10.

10.3 If either Party is in breach of a breach capable of remedy Party within <<insert period>> requiring its remedy, or if appointed over the whole of with creditors, or has an order (otherwise than in furtherance reconstruction) [or if the own hands of any legal person, considers unsuitable for any case of breach the Party shall forthwith terminate this Agreement rights of either Party.

10.4 Termination of this Agreement

10.4.1 the secrecy obligation

10.4.2 the Licensee's obligations accrued due or which Clause 10.5;

10.4.3 the obligations (if any)

10.4.4 the licences (if any) under

10.5 On termination of this Agreement to have the right for a period termination to complete development

or on its own behalf or have obtained and the Party if so requested assign all that the Party electing shall be entitled to a full right to sub-licence.

apply for patent protection an employee of the other thereof does not disclose

of the Licensor and the prosecuting any future joint which granted patents in all

following provisions of this period of <<insert period>> to the provisions of sub- but subject to termination other.

shall continue in force in the present Rights in the Territory following provisions of this

under and, in the case of remedied by the defaulting specifying the breach and insolvent, has a receiver enters into any compound for it to be wound up a fide amalgamation or Party shall pass into the its reasonable discretion on the other Party or in the obligation or condition may prejudice to the accrued

not bring to an end:

or other sums which have respect of sales under sub-

sub-Clause 10.6;

5 and 9.6.

the Licensee shall continue months from the date of force at that date and to

- dispose of Product(s) already in the possession or control of the Licensee or of Royalties thereon.
- 10.6 On termination of this Agreement the Licensee shall offer to the Licensor the stocks of Product(s) and all other documents (including copies of Technical Information [remaining in its possession or control containing any Confidentiality obligations of Clause 4].

## 11. Force Majeure

- 11.1 Neither Party to this Agreement shall be liable for any failure or delay in performing their obligations under the Agreement that is beyond the reasonable control of the Party. Such causes include, but are not limited to: power failure, natural disasters, war, civil unrest, fire, flood, industrial accidents, acts of terrorism, acts of war, governmental action or inaction, or any other event beyond the control of the Party in question.
- 11.2 [In the event that any event occurs which prevents either Party's obligation to perform for a period of <<insert period>>, the Parties shall agree to suspend the Agreement for as long a period as possible thereafter by negotiation.

## 12. General

- 12.1 This Agreement shall be binding on the Parties and their respective legal successors and assigns, and neither Party without the written consent of the other, which consent shall not be unreasonably withheld.
- 12.2 No variation or amendment to the Agreement shall be made in writing in the English language by the authorised officers of both Parties.

## 13. No Waiver

The Parties agree that no failure to exercise a right provided for in this Agreement shall constitute a continuing waiver. The right to subsequently enforce that provision or any other provision shall not be deemed to be a waiver of any other provision. Such failure shall not constitute a breach and shall not constitute a continuing breach.

## 14. Severance

The Parties agree that, in the event any provision of this Agreement is found to be unlawful or unenforceable, that / those provisions shall be deemed severed from the Agreement and the remainder of this Agreement shall be enforceable.

subject to payment to the Licensor of Royalties thereon. Clause 6.

Under sub-Clause 10.3 the Licensee shall offer to the Licensor the stocks of Product(s) and all other documents (including copies of Technical Information [remaining in its possession or control containing any Confidentiality obligations of Clause 4].

for any failure or delay in performing their obligations under the Agreement that is beyond the reasonable control of the Party. Such causes include, but are not limited to: power failure, natural disasters, war, civil unrest, fire, flood, industrial accidents, acts of terrorism, acts of war, governmental action or inaction, or any other event beyond the control of the Party in question.

due to render performance of the Agreement for a period in excess of <<insert period>>, the Parties shall agree to suspend the Agreement for as long a period as possible thereafter by negotiation.

the benefit of the Parties and their respective legal successors and assigns, and neither Party without the written consent of the other, which consent shall not be unreasonably withheld.

bind either Party unless agreed to in writing by duly authorised officers of both Parties.

the performance of any provision in this Agreement shall constitute a continuing waiver. The right to subsequently enforce that provision or any other provision shall not be deemed to be a waiver of any other provision. Such failure shall not constitute a breach and shall not constitute a continuing breach.

of the provisions of this Agreement is found to be unlawful or unenforceable, that / those provisions shall be deemed severed from the Agreement and the remainder of this Agreement shall be enforceable.

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10. *Journal of the American Medical Association*, 2000; 284: 2561-2566.

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1. *Journal of the American Medical Association*, 2000; 284: 2689-2695.

**Patent Rights**  
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## Formal Patent Licence for Registration

Date: <<insert date>>

Parties:

- (1) "The Licensor": << >> of << >>
- (2) "The Licensee": << >> of << >>

### Recitals:

- (A) The Licensor is the registered proprietor of Patent No << >> for an invention entitled << >>.
- (B) By an Agreement dated the <<insert month>> <<insert year>> it was agreed between the Parties that the Licensor would grant to the Licensee [a non-exclusive] licence under the said Patent as herein set out.
- (C) This Licence is granted in pursuance of the said Agreement and not in substitution therefor whereby nothing herein contained shall derogate from the said Agreement which shall remain in full force and effect.

### Operative provision:

Pursuant to the said Agreement the Licensor hereby grants (and shall from the date of the publication of the application for the said Patent to have granted) to the Licensee [exclusive] [non-exclusive] authority to manufacture, use, exercise and sell the said invention and to do all other things which may be necessary for the protection of the said Patent on the terms and conditions of the said Agreement. The said Patent shall remain in force unless this Licence shall be terminated in accordance with the provisions of the said Agreement or unless the said Agreement shall ipso facto terminate.

**IN WITNESS** whereof the parties hereto have hereunto affixed their seals and signatures in presence of the witnesses above written on the day and year first

**THE COMMON SEAL** of the **LICENSOR**  
was hereunto affixed in the presence of:

\_\_\_\_\_  
Director  
\_\_\_\_\_  
Secretary

**THE COMMON SEAL** of the **LICENSEE**  
was hereunto affixed in the presence of:

\_\_\_\_\_  
Director  
\_\_\_\_\_  
Secretary