**PATENT LICENSE AGREEMENT**

This **PATENT License** Agreement (this “Agreement”) is entered into as of \_\_\_\_\_\_\_\_\_\_\_\_\_(the ‘’Effective Date’’).

**BETWEEN:** \_\_\_\_\_\_\_\_\_\_\_\_\_(“Name of company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], a company, duly incorporated and registered under the Companies Act, 2013, with its principal place of business located at\_\_\_\_\_\_\_\_\_\_\_\_\_[[Company Address]], (the “Company”), through its \_\_\_\_\_\_\_\_\_\_\_\_\_[[Authorised signatory: Name of the Person]], (the “Licensor”).

**AND:** \_\_\_\_\_\_\_\_\_\_\_\_\_(“Name of company”, "corporation", "limited liability partnership", "limited partnership", "proprietorship firm")]], (the "Agency"), a company, duly incorporated and registered under the Companies Act, 2013, with its principal place of business located at\_\_\_\_\_\_\_\_\_\_\_\_\_[[Company Address]], (the “Company”), through its\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Authorised signatory: Name of the Person]], (the “Licensee”).

Both individually referred to as “Party” and collectively referred to as “Parties”.

**PREAMBLE**

**WHEREAS**, LICENSOR is the sole and exclusive owner of the following PATENTs and registrations

**PATENT Class Application No.**

(the “PATENTs”); and

**WHEREAS,** LICENSOR has the power and authority to grant to LICENSEE the right, privilege and license to use the PATENT on or in association with the goods and/or services covered by the registrations (the “Licensed Products”); and;

**WHEREAS**, LICENSEE has represented that it has the ability to manufacture, market and distribute the Licensed Products in \_\_\_\_\_\_\_\_\_\_\_\_\_ [[TERRITORY]], (the “Territory”) and to use the PATENT on or in association with the Licensed Products; and

**WHEREAS**, LICENSEE desires to obtain from LICENSOR a license to use, manufacture, have manufactured and sell Licensed Products in the Territory and to use the PATENT on or in association with the Licensed Products; and

**WHEREAS**, both LICENSEE AND LICENSOR are in agreement with respect to the terms and conditions upon which the LICENSEE shall use the PATENT;

NOW THEREFORE in consideration of the mutual promises and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. GRANT OF LICENSE
   1. Licensor hereby grants to Licensee, a limited, exclusive, non-transferable, non-assignable and revocable right and license to use only those PATENT (“PATENT”) solely for and in connection with the manufacture, promotion, sale and distribution of the licensed product(s) (the “Licensed Product(s)”) in the quantities and in the Territory as set forth in this Agreement. The Licensee shall not have the right to sublicense the rights granted herein. The Licensee may use the PATENT on or in connection with the Licensed Products and may be co-branded with PATENT and owned by Licensor, but in each case only with the Licensor’s prior approval. The Licensor reserves all rights not expressly granted herein.
   2. The Parties acknowledge and agree that state and federal franchise laws do not and will not apply to this Agreement or to the relationship between Licensee and Licensor and their respective rights and obligations hereunder since the parties agree that due to their respective business backgrounds and prior licensing experiences, they do not need the protection of the state or federal franchise laws.
2. TERM OF THE AGREEMENT

This Agreement and the provisions hereof, except as otherwise provided, shall be in full force and effect commencing on the last date of execution below, and shall extend for \_\_\_\_\_\_\_\_\_\_\_\_\_[[INSERT LENGTH OF TERM]] (The “Term”).

1. COMPENSATION

In consideration of the License granted hereunder, the Licensee shall pay to the Licensor, the following:

* 1. Up – front Fee, Minimum Royalty: On the signing of this Agreement, the Licensee shall pay to the Licensor, a non-refundable, one-time license fee as per the amount set forth in this Agreement. Further, the Licensee shall also agree to pay the Licensor a guaranteed minimum royalty as per the amount set forth in the Agreement.
  2. Royalty on Gross Sales: Licensee shall pay to the Licensor a continuing royalty in respect of each of the Licensed Products, in amounts calculated by multiplying the royalty rates as set forth in the Agreement and the Gross Selling Price of the Licensed Products respectively, sold or otherwise disposed of by the Licensee under this Agreement. The “Gross Selling Price shall mean the gross selling price invoiced or charged to others by Licensee for all Licensed Products sold, distributed or transferred, reduced by the amount of actual returns only. It is understood that the credit against sales shall be allowed only for actual returns and that no credit against sales shall be allowed on the basis of an accrual or reserve system. No deduction shall be made for cash, trade discounts, or other discounts, promotional allowances or uncollectible accounts. Licensed Products are considered sold on the date on which Licensed Products are billed, invoiced, distributed, shipped, and/or paid for, whichever occurs first. No costs incurred in the manufacture, sale, distribution, advertisement, or promotion of the Licensed Products or in the payment by Licensee of any local, state or federal taxes of any nature whatsoever shall be deducted from the gross sales amounts or from any royalty payable by the Licensee to the Licensor. The Licensee shall further pay and hold Licensor forever harmless from all taxes, customs, duties, levies, import or any other charges now or hereafter imposed or based upon the manufacture, sale, distribution, advertisement, or promotion of the Licensed Products by the Licensee (including but not limited to sales, use, inventory, income and value added taxes on sales of Licensed Products), the said charges shall not be deducted from the royalties payable to the Licensee. Any sales or transfers of Licensed Products made by Licensee to any person or entity that does not deal at arm’s length with the Licensee, shall be computed, for the purpose of determining Gross Selling Price, at an amount equal to the regular sales price at which Licensee would have invoiced or charged purchasers which deal at arm’s length with the Licensee.
  3. Payment and Reports: All guaranteed minimum royalties shall be due and payable as set forth in the Agreement. Any additional royalties earned for the 12-month period, between [[dates as concerned]], less than the guaranteed minimum royalties previously paid, shall be due and payable on [[date]]. The Licensee shall provide to the Licensor a written royalty report on a monthly basis. The Licensee shall also provide the foregoing information in an electronic spreadsheet. If a currency exchange rate is necessary to calculate royalties, the Licensee shall use the closing rate of exchange on the last business day of the applicable quarterly accounting period.
  4. Royalty Payment Address: All payments and statements shall be sent to Licensor at the address set forth as above. The Licensee hereby agrees that this agreement shall also serve as an invoice with respect to the amounts payable hereunder.
  5. Late charges: In the event the Licensee fails to pay any sum required under this Agreement on or before ten (1) calendar days following the due date thereof, the amount owed shall be charged a late fee in the amount of one percent (1%) per month of the amount past due from the due date until paid.
  6. Unauthorized Manufacture, Sales or Distribution: If the Licensee manufactures, sells, or distributes any products in violation of this Agreement’s terms – including, but not limited to, selling products not authorized or approved by Licensor outside the Territory, or in quantities in excess of those set forth in this agreement, the Licensee shall pay the Licensor’s actual damages as a result of such breach or, at the Licensor’s election, the royalty amounts set forth.

1. AUDIT
   1. LICENSOR shall have the right, upon at least five (5) days written notice to inspect LICENSEE’s books and records and all other documents and material in the possession of or under the control of LICENSEE with respect to the subject matter of this Agreement at a location in \_\_\_\_\_\_\_\_\_\_\_\_\_[[NAME OF JURISDICTION]]. The LICENSOR shall have free and full access thereto for such purposes and shall be permitted to make copies thereof and extracts therefrom.
   2. In the event that such inspection reveals a discrepancy in the amount of Royalty owed, to the LICENSOR from what was actually paid, the LICENSEE shall pay such discrepancy, plus interest calculated at the rate of\_\_\_\_\_\_\_\_\_\_\_\_\_ [[PERCENTAGE AND DURATION]]. In the event that such discrepancy is in excess of \_\_\_\_\_\_\_\_\_\_\_\_\_[[AMOUNT]], the LICENSEE shall also reimburse the LICENSOR for the cost of such inspection including any attorney’s fees incurred in connection therewith.
   3. All books and records relative to the LICENSEE’s obligations hereunder shall be maintained and kept accessible and available to the LICENSOR for inspection in the \_\_\_\_\_\_\_\_\_\_\_\_\_[[NAME OF JURISDICTION]] for at least\_\_\_\_\_\_\_\_\_\_\_\_\_ [[DURATION]] years after the termination of this Agreement.
   4. In the event that an investigation of LICENSEE’s books and records is made, certain confidential and proprietary business information of LICENSEE may necessarily be made available to the person conducting such investigation. It is agreed that such confidential and proprietary business information shall be retained in confidence by the LICENSOR and shall not be used by the LICENSOR, or disclosed to any third party for a period of \_\_\_\_\_\_\_\_\_\_\_\_\_[[DURATION]] years from the date of disclosure, or without the prior express written permission of the LICENSEE unless required by law. It is understood and agreed, however, that such information may be used in any proceeding based on LICENSEEs failure to pay its actual royalty obligation.
2. WARRANTIES AND OBLIGATIONS
   1. The LICENSOR represents and warrants that it has the right and power to grant the licenses granted herein and that there are no other agreements with any other party in conflict herewith.
   2. The LICENSOR further represents and warrants that to the best of its knowledge, the PATENT does not infringe any valid right of any third party.
   3. The LICENSEE represents and warrants that it will use its best efforts to promote, market, sell and distribute the Licensed Products.
   4. The LICENSEE shall be solely responsible for the manufacture, production, sale and distribution of the Licensed Products and will bear all related costs associated therewith.
   5. It is the intention of the parties that the LICENSEE shall introduce the Licensed Products in all states/countries in the Territory on or before \_\_\_\_\_\_\_\_\_\_\_\_\_[[INSERT DATE]]. Failure to meet this deadline shall constitute grounds for immediate termination of this agreement by the LICENSOR.
3. NOTICES, QUALITY CONTROL AND SAMPLES
   1. The Licenses granted hereunder are conditioned upon LICENSEE’s full and complete compliance with the marking provisions of the patent, PATENT and copyright laws of the \_\_\_\_\_\_\_\_\_\_\_\_\_[[NAME OF JURISDICTION]] and other states/countries in the Territory.
   2. The Licensed Products, as well as all promotional, packaging, and advertising material relative thereto, shall include all appropriate legal notices as required by the LICENSOR\_\_\_\_\_\_\_\_\_\_\_\_\_ [[INSERT REQUIRED NOTICE]].
   3. The Licensed Products shall be of high quality which is at least equal to comparable products previously manufactured and marketed by LICENSEE under the PATENTs and in conformity with a standard sample approved by the LICENSOR.
   4. If the quality of a class of the Licensed Products falls below such a production-run quality, as previously approved by the LICENSOR, the LICENSEE shall use its best efforts to restore such quality. In the event that the LICENSEE has not taken appropriate steps to restore such quality within thirty (30) days after notification by the LICENSOR, the LICENSOR shall have the right to terminate this Agreement and require that the LICENSEE ceases using the PATENTs.
   5. Prior to the commencement of the manufacture and sale of the Licensed Products, the LICENSEE shall submit to the LICENSOR, at no cost to the LICENSOR and for approval as to quality, \_\_\_\_\_\_\_\_\_\_\_\_\_[[NO. OF SETS]] of samples of all Licensed Products which the LICENSEE intends to manufacture and sell and \_\_\_\_\_\_\_\_\_\_\_\_\_[[NO. OF SETS.]] complete set(s) of all promotional and advertising material associated therewith. Failure of the LICENSOR to approve such samples within thirty (30) working days after receipt thereof will be deemed approval. Once such samples have been approved by the LICENSOR, the LICENSEE shall not materially depart therefrom without the LICENSOR’s prior express written consent, which shall not be unreasonably withheld.
   6. At least once during each calendar year, the LICENSEE shall submit to the LICENSOR, for approval, an additional set of samples.
   7. The LICENSEE agrees to permit the LICENSOR or its representative to inspect the facilities where the Licensed Products are being manufactured and packaged.
4. CONFIDENTIALITY

From the date of grant of License until three (3) years after the closing date, the LICENSEE shall keep the information confidential and will not disclose to the third parties (not its affiliate(s)), the Confidential Information received from, or made available by the LICENSOR and will use and cause its Affiliate(s) to use, the same level of care with respect to the Confidential Information as the LICENSEE employs with respect to its own proprietary and confidential information of like importance, and will not use and will cause its Affiliate(s) not to use such Confidential Information for any purpose other than the performance of obligations under the grant of License

If the LICENSEE is required by law (through oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process), or pursuant to the requirement of any stock exchange, to disclose any Confidential Information, the LICENSEE will promptly notify the LICENSOR of such request or requirement so that the LICENSOR may seek a protective order, or other appropriate remedy. If, in the absence of any such protective order, remedy, or waivers from the Owner, the LICENSEE is nonetheless legally compelled to disclose the Confidential Information to the party compelling disclosure as is required by law and shall exercise its reasonable efforts to preserve the confidentiality of Confidential Information, including without limitation, by co-operating with the LICENSOR to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded to the Confidential Information by such party compelling disclosure.

1. PATENTS, PATENTS AND COPYRIGHTS
   1. The LICENSOR shall seek, obtain, and during the term of this Agreement, maintain in its own name and at its own expense, appropriate protection for the PATENTs, and the LICENSOR shall retain all right, title and interest in the PATENTs as well as any modifications made to the PATENTs by the LICENSEE. The LICENSEE agrees that its use of the PATENTs inures to the benefit of the LICENSOR and that the LICENSEE shall not acquire any rights in the PATENT.
   2. The parties agree to execute any documents reasonably requested by the other party to effect any of the above provisions.
   3. The LICENSEE acknowledges the LICENSOR’s exclusive rights in PATENTs, and further acknowledges that the PATENTs are unique and original to the LICENSOR and that the LICENSOR is the owner thereof. The LICENSEE shall not, at any time during or after the effective term of the Agreement, dispute or contest, either directly or indirectly, the LICENSOR’s exclusive right, title and interest to the PATENT or the validity thereof. The LICENSOR, however, makes no representation or warranty with respect to the validity of any patent, PATENT, or copyright which may be issued or granted therefrom.
2. TERM
   1. This Agreement will come into force as of the \_\_\_\_\_\_\_\_\_\_\_\_\_ [[Effective Date]] and will expire on\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Expiry Date]] (the “Initial Term”) unless extended by the parties in writing or otherwise terminated by the parties in accordance with the terms of this Agreement.
   2. At the end of the Initial Term, this Agreement will be automatically renewed for successive\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Number: Number of Years]] year terms (a “Renewal Term”) unless either Party provides written notice to the other Party of its desire to terminate this Agreement in accordance herewith.
3. TERMINATION OR EXPIRATION
   1. In addition to the termination rights that may be provided elsewhere in this Agreement, either party may terminate this Agreement upon thirty (30) days written notice to the other party in the event of a breach of a material provision of this Agreement by the other party, provided that, during he thirty (30) day period, the breaching party fails to cure such breach. Upon expiration or termination, all Royalty obligations, including any unpaid portions of the Guaranteed Minimum Royalty, shall be accelerated and shall immediately become due and payable, and the LICENSEE’s obligations for the payment of Royalty and Guaranteed Minimum Royalty shall survive expiration or termination of this Agreement and will continue for so long as the LICENSEE continues to manufacture, sell or otherwise market the Licensed Products.
   2. Upon expiration or termination, the LICENSEE shall provide the LICENSOR with a complete schedule of all inventory of Licensed Products then on-hand (the “Inventory”).
   3. Upon expiration or termination, except for reason of breach of LICENSEE’s duty to comply with the quality control or legal notice marking requirements, the LICENSEE shall be entitled, for an additional period of three (3) months and on a non-exclusive basis, to continue and sell such Inventory. Such sales shall be made subject to all of the provisions of this Agreement and to an accounting for and the payment of a Royalty thereon, due and paid within thirty (30) days after the close of the three (3) month period.
   4. Upon the expiration or termination of this Agreement, all of the rights of the LICENSEE under this Agreement shall terminate and immediately revert to the LICENSOR, and the LICENSEE shall immediately discontinue all use of the PATENTs including at no cost to the LICENSOR.
4. NOTICE
   1. Any notice provided for or permitted in this Agreement shall be in writing and will be deemed to have been given\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Minimum number of Days after Mail: Number]] days after having been mailed, postage pre-paid, by certified or registered mail or by recognized overnight delivery services, except in the case of a postal or other strike affecting the service used whereupon notice will be deemed to have been given\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Minimum number of Days for Service of Notice: Number]]days after normal service resumes.
   2. Where personal service is made or where delivery is made by facsimile and a receipt thereof has been retained, any notice provided for or permitted in this Agreement will be deemed to have been given when received by the intended recipient. The intended recipient must be an individual whose personal name appears on the address set out in the notice.
   3. Addressing and delivery is to be made as follows:
      1. If to: Company

\_\_\_\_\_\_\_\_\_\_\_\_\_[[Company Address]]

* + 1. If to : the Agency

\_\_\_\_\_\_\_\_\_\_\_\_\_[[Agency Address]]

* 1. The parties may communicate other addresses where notice must be sent to from time to time. Such communication shall be in writing and shall have the effect of replacing the address. No change of address effected under this section shall in any way affect the operation of any term, other than the delivery address, in this Agreement.

1. DISPUTE RESOLUTION - ARBITRATION:
   1. In the event of any dispute, difference or controversy arising between the Company/Owner and the Travel Agency in the performance, interpretation, implementation or application of this agreement, the parties will first attempt to resolve their differences mutually but failing mutual settlement dispute, difference or controversy arising, either Party may request that such disputes be settled by arbitration in accordance with the Arbitration and Conciliation Act, 1996 (“ the Act of 1996”) and the rules made there under, as amended from time to time.
   2. The Seat of Arbitration will be in Jaipur and all Arbitration proceedings will be conducted in Jaipur.
2. GENERAL PROVISIONS
   1. GOOD WILL

The LICENSEE recognizes the value of the goodwill associated with the PATENT and acknowledges that the PATENT and all rights therein, including the good will pertaining thereto, belong exclusively to the LICENSOR.

* 1. INFRINGEMENTS

If an action for infringement of the rights licensed in this Agreement is brought, each party shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such lawsuit.

* 1. INDEMNITY AND INSURANCE

The LICENSEE agrees to defend and indemnify the LICENSOR, its officers, directors, agents and employees, against all costs, expenses and losses (including reasonable attorneys’ fees and costs) incurred through claims of third parties against the LICENSOR, based on the manufacture or sale of the Licensed Products including, but not limited to, actions founded on product liability.

The LICENSEE shall, throughout the Term of the Agreement, obtain and maintain at its own cost and expense from a qualified insurance company licensed to do business in\_\_\_\_\_\_\_\_\_\_\_\_\_ [[NAME OF JURISDICTION]], Standard Product Liability Insurance naming the LICENSOR as an additional name insured. Such policy shall provide protection against any and all claims, demands, and causes of action arising out of any defects or failure to perform, alleged or otherwise, of the Licensed Products, or any material used in connection therewith or any use thereof. The amount of coverage shall be\_\_\_\_\_\_\_\_\_\_\_\_\_ [[SPECIFY AMOUNT]] combined single limit for each single occurrence for bodily image and/or property damage. The policy shall provide for ten (10) days notice to the LICENSOR from the Insurer by Registered or Certified Mail, return receipt requested, in the event of any modification, cancellation or termination thereof. The LICENSEE agrees to furnish the LICENSOR a certificate of insurance evidencing the same within thirty (30) days after the execution of this Agreement and, in no event shall the LICENSEE manufacture, distribute or sell the Licensed Products prior to receipt by LICENSOR of such evidence of insurance.

* 1. AGREEMENT BINDING ON SUCCESSORS

The provisions of this Agreement shall be binding on and shall inure to the benefit of the parties hereto, and their heirs, administrators, successors and assings.

* 1. WAIVER

No waiver by either party of any default shall be deemed as a waiver of prior or subsequent default of the same or other provisions of this Agreement.

* 1. SEVERABILITY

If for any reason whatsoever, any term or condition of this Agreement or the application thereof to any Party or circumstance is, to any extent, invalid or unenforceable, all other terms and conditions of this Agreement and/or the application of such terms and conditions to the parties or circumstances shall not be affected thereby and shall be separately valid and enforceable to the fullest extent permitted by law.

* 1. APPLICABLE LAW

This Agreement shall be governed by and interpreted in accordance with the laws of the India, without reference to its conflict of law provisions, and the laws of India applicable therein. All disputes arising under this Agreement will be referred to the courts situated in India which will have jurisdiction, and each Party hereto irrevocably submits to the jurisdiction of such courts.

* 1. ASSIGNABILITY

The License granted hereunder is personal to the LICENSEE and shall not be assigned by any act of the LICENSEE or by operation of law unless in connection with a transfer of substantially all of the assets of the LICENSEE or with the consent of the LICENSOR.

* 1. GOVERNMENTAL APPROVAL

As promptly as possible after execution of this Agreement, the LICENSEE agrees to submit copies of this Agreement to any governmental agency in any country in the Territory where approval of a license agreement is necessary and agrees to promptly prosecute any such application diligently. This Agreement shall only become effective in such country or countries upon receipt of appropriate approval from the applicable governmental agency.

* 1. INTEGRATION

This Agreement constitutes the entire understanding of the parties, and revokes and supersedes all prior agreements between the parties, including any option agreements which may have been entered into between the parties, and is intended as a final expression of their Agreement. It shall not be modified or amended except in writing signed by the parties hereto and specifically referring to this Agreement.

* 1. AMENDMENTS

Any amendment to this Agreement must be in writing and signed by an authorized person of each party.

**IN WITNESS WHEREOF**, each party to this agreement has caused it to be executed at\_\_\_\_\_\_\_\_\_\_\_\_\_ [[Place of Execution]] on the date indicated above.

First Party \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Second Party \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**WITNESSES:**

1. Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Name\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_