

LICENSING AGREEMENT

1. 1. Parties

This Licensing Agreement (the "Agreement") is made effective as of [EFFECTIVE DATE] between [LICENSOR NAME], a [ENTITY TYPE] with its principal place of business at [LICENSOR ADDRESS] (the "Licensor"), and [LICENSEE NAME], a [ENTITY TYPE] with its principal place of business at [LICENSEE ADDRESS] (the "Licensee"). Each party represents that it is duly organized and in good standing and that the person signing below has authority to bind it. The Licensor further represents that it owns or controls the Licensed Property and has full right and authority to grant the rights described in this Agreement. Notices must be in writing and are effective when delivered by hand, by nationally recognized courier, or by email with confirmation of receipt to [LICENSOR NOTICE CONTACT AND EMAIL] and [LICENSEE NOTICE CONTACT AND EMAIL].

2. 2. Licensed Property

The property licensed under this Agreement consists of the trademarks, patents, copyrights, designs, software, know-how, and other intellectual property described in Exhibit A, together with any registrations and applications listed there (the "Licensed Property"). The products or services that the Licensee is permitted to make, offer, or provide using the Licensed Property are described in Exhibit B (the "Licensed Products"). The Licensor will provide the Licensee with the technical materials, artwork files, style guides, specifications, and know-how listed in Exhibit C within [MATERIALS DELIVERY PERIOD, e.g., 15 days] of the Effective Date, and will provide reasonable technical assistance of up to [SUPPORT HOURS] hours at [SUPPORT RATE, e.g., no charge / [RATE] per hour]. The Licensor will maintain the registrations of the Licensed Property in the Territory at its own cost during the Term, including paying renewal and maintenance fees.

3. 3. Grant of License and Scope

Subject to the terms of this Agreement and to timely payment of all amounts due, the Licensor grants the Licensee a license to use the Licensed Property solely to develop, manufacture, market, distribute, and sell the Licensed Products within the following scope: field of use limited to [FIELD OF USE, e.g., consumer household products]; territory limited to [TERRITORY]; channels limited to [CHANNELS, e.g., physical retail and owned e-commerce]; and media limited to [MEDIA, if applicable]. The Licensee will not use the Licensed Property outside this scope, will not use it in any manner that is unlawful, misleading, or damaging to the reputation of the Licensor, and will not combine it with any other mark or property without prior written consent. Any use of the Licensed Property outside the granted scope constitutes both a breach of this Agreement and an infringement of the rights of the Licensor. All rights not expressly granted are reserved to the Licensor, and no license is granted by implication or estoppel.

4. 4. Exclusivity and Minimum Performance

The license granted in Section 3 is [SELECT ONE: exclusive, meaning the Licensor will not grant the same rights to any third party and will not itself exploit the Licensed Property within the scope granted / sole, meaning the Licensor will not grant the same rights to any third party but retains the right to exploit the Licensed Property itself / non-exclusive] within the scope described. If the license is exclusive or sole, the Licensee must achieve minimum Net Sales of [MINIMUM NET SALES] and pay minimum royalties of [MINIMUM ROYALTY] in each contract year, and must first commercially launch the Licensed Products by [LAUNCH DEADLINE]. If the Licensee fails to meet a minimum performance requirement, the Licensor may, on [PERFORMANCE NOTICE, e.g., 60 days] written notice and as its sole remedy for that failure, convert the license to non-exclusive, reduce the Territory or field of use to those areas where the Licensee is performing, or terminate this Agreement. The Licensee may

preserve exclusivity for a contract year by paying the shortfall between actual royalties and the minimum royalty within [SHORTFALL PAYMENT PERIOD, e.g., 30 days] after the end of that year.

5. 5. Reserved Rights and Sublicensing

The Licensor reserves all rights in the Licensed Property outside the scope granted, including the right to use and license the Licensed Property in other fields of use, territories, channels, and media, and the right to sell products bearing the Licensed Property that are outside the definition of Licensed Products. The Licensee may not sublicense, assign, pledge, or otherwise transfer any right under this Agreement without the prior written consent of the Licensor, which will not be unreasonably withheld for a sublicense to [PERMITTED SUBLICENSEE CATEGORY, e.g., a contract manufacturer producing exclusively for the Licensee]. Any permitted sublicense must be in writing, must impose obligations at least as protective as this Agreement including the quality control provisions, must terminate automatically on termination of this Agreement, and a copy must be provided to the Licensor within [SUBLICENSE COPY PERIOD, e.g., 15 days] of execution. The Licensee remains fully responsible for the acts and omissions of every sublicensee and contract manufacturer as if they were its own.

6. 6. Royalties, Net Sales, Advance, and Minimum Guarantee

The Licensee will pay the Licensor a royalty of [ROYALTY RATE, e.g., 6 percent] of Net Sales of Licensed Products, plus any category-specific rates set out in Exhibit D. "Net Sales" means the gross invoiced amount for Licensed Products sold by the Licensee and its sublicensees, less only the following, in each case actually granted and separately documented: customary trade and volume discounts, credits for returns actually made, freight and insurance separately stated on the invoice, and sales, use, and value added taxes collected and remitted. No deduction is permitted for uncollectible accounts, cost of goods, marketing or advertising costs, commissions, overhead, or discounts granted to affiliates. Sales to an affiliate or on other than arm-length terms are valued at the price charged to unrelated customers for comparable quantities. The Licensee will pay a non-refundable advance of [ADVANCE AMOUNT] on signing, which is recoupable against royalties otherwise payable, and a minimum guaranteed royalty of [MINIMUM GUARANTEED ROYALTY] per contract year, payable in [GUARANTEE INSTALLMENTS, e.g., four equal quarterly installments] and credited against earned royalties for that year but not carried forward to any other year.

7. 7. Reporting, Payment, and Audit Rights

Within [REPORTING DEADLINE, e.g., 30 days] after the end of each [ROYALTY PERIOD, e.g., calendar quarter], the Licensee will deliver a royalty statement, certified by an officer of the Licensee, showing by Licensed Product and by country the units sold, gross invoiced amounts, each category of permitted deduction, Net Sales, the royalty due, and any credit taken against the advance or minimum guarantee. Payment of the amount shown is due with the statement, in [CURRENCY], by [PAYMENT METHOD], and any conversion will use [EXCHANGE RATE SOURCE] on the last business day of the period. Late amounts accrue interest at [LATE INTEREST RATE] per month or the maximum permitted by law, whichever is less. The Licensee will keep complete books and records supporting each statement for [RECORD RETENTION PERIOD, e.g., three years] after the period to which they relate. The Licensor may, at its own expense and on [AUDIT NOTICE, e.g., 15 business days] written notice, have an independent accountant audit those records not more than [AUDIT FREQUENCY, e.g., once per calendar year]. If an audit shows an underpayment of more than [AUDIT THRESHOLD, e.g., 5 percent] for any period, the Licensee will pay the shortfall with interest and reimburse the reasonable cost of the audit.

8. 8. Quality Control and Approval of Samples

The Licensee will manufacture, package, market, and sell the Licensed Products in accordance with the quality standards, specifications, and style guide set out in Exhibit C, and at a level of quality at least equal to the samples

approved under this Section. Before first commercial use, and before any material change in design, materials, packaging, or labeling, the Licensee will submit to the Licensor representative samples together with proposed packaging, labels, advertising, and website content for written approval; approval will not be unreasonably withheld and is deemed granted if the Licensor does not respond within [APPROVAL PERIOD, e.g., 15 business days]. The Licensor or its designee may inspect the manufacturing and warehouse facilities used for Licensed Products during normal business hours on [INSPECTION NOTICE, e.g., ten business days] notice, and may request production samples at any time at the expense of the Licensor. If any Licensed Product fails to meet the approved quality standards, the Licensee will, on written notice, suspend sales of the affected product, correct the deficiency within [QUALITY CURE PERIOD, e.g., 30 days], and withdraw non-conforming inventory from the market. The Licensee will comply with all laws applicable to the Licensed Products, including product safety, labeling, advertising, and import requirements.

9. 9. Ownership, Goodwill, and Notices

The Licensor is and remains the sole owner of the Licensed Property, and this Agreement grants only a license and transfers no ownership interest. All use of the Licensed Property by the Licensee, and all goodwill arising from that use, inures solely to the benefit of the Licensor. The Licensee will not challenge, and will not assist any third party in challenging, the validity, ownership, or enforceability of the Licensed Property during the Term or afterward, and will not register or attempt to register the Licensed Property, any confusingly similar mark, or any domain name or social media account incorporating it, in any jurisdiction; the Licensee will assign to the Licensor at its own cost any such registration obtained. The Licensee will display on Licensed Products, packaging, and marketing materials the ownership and registration notices specified in Exhibit C, in the form and placement required by the Licensor, and will identify itself as an authorized licensee rather than as the owner of the Licensed Property.

10. 10. Improvements and Derivative Works

Any modification, adaptation, translation, derivative work, artwork, or improvement created by or for the Licensee that is based on or incorporates the Licensed Property (the "Derivative Works") is owned by [SELECT ONE: the Licensor, and the Licensee hereby assigns all right, title, and interest in the Derivative Works to the Licensor, with a license back to use them within the scope of this Agreement during the Term / the Licensee, subject to a perpetual, royalty-free license to the Licensor to use them]. Improvements to patented technology or know-how that the Licensee develops independently and that do not incorporate the Licensed Property remain owned by the Licensee, which grants the Licensor [IMPROVEMENT LICENSE TERMS, e.g., a non-exclusive, royalty-free license to use those improvements outside the Territory and field of use]. The Licensor will disclose to the Licensee any improvement it develops to the Licensed Property during the Term that is applicable to the Licensed Products, and such improvements are automatically included in the Licensed Property at no additional royalty. Each party will execute the documents reasonably required to record the ownership allocated by this Section.

11. 11. Infringement and Enforcement

Each party will notify the other promptly in writing of any suspected infringement, dilution, counterfeiting, or unauthorized use of the Licensed Property, and of any claim that the Licensed Property or the Licensed Products infringe the rights of a third party, in each case within [INFRINGEMENT NOTICE PERIOD, e.g., ten business days] of becoming aware. The Licensor has the first right, but not the obligation, to bring, control, and settle any action against a third party infringer, at its own cost and for its own account. If the Licensor does not take action within [ENFORCEMENT ELECTION PERIOD, e.g., 60 days] of notice and the infringement materially harms the business of the Licensee within the Territory and field of use, the Licensee may, with the written consent of the Licensor and at its own cost, bring an action in its own name where permitted by law, and may recover its costs

from any resulting award with the balance shared [RECOVERY SPLIT, e.g., 50 percent to each party]. Each party will provide the other with reasonable cooperation, records, and, where necessary for standing, will join as a nominal party at the cost of the party bringing the action. Neither party may settle any matter in a way that admits invalidity of the Licensed Property or imposes an obligation on the other without written consent.

12. 12. Warranties, Indemnification, and Insurance

The Licensor warrants that it owns or controls the Licensed Property, has the right to grant this license, and to its knowledge the use of the Licensed Property as authorized here does not infringe the rights of any third party in the Territory, and that it has not granted and will not grant rights inconsistent with those granted here. Except for these express warranties, the Licensed Property is provided as is, without any implied warranty of merchantability, fitness for a particular purpose, or validity of any registration. The Licensee warrants that the Licensed Products will be manufactured, labeled, marketed, and sold in compliance with applicable law and the quality standards in Section 8. The Licensor will defend and indemnify the Licensee against third-party claims that the Licensed Property as authorized infringes intellectual property rights in the Territory, and the Licensee will defend and indemnify the Licensor against third-party claims arising from the manufacture, quality, safety, labeling, marketing, or sale of the Licensed Products, from a Derivative Work created by the Licensee, or from any use outside the granted scope. The Licensee will maintain commercial general liability insurance including product liability coverage of at least [INSURANCE COVERAGE AMOUNT] per occurrence, naming the Licensor as an additional insured, and will provide a certificate of insurance before first commercial sale and on each renewal.

13. 13. Term, Renewal, Termination, and Sell-Off

This Agreement begins on the Effective Date and continues for an initial term of [INITIAL TERM, e.g., three years], renewable for [RENEWAL TERM] on written notice given at least [RENEWAL NOTICE, e.g., 90 days] before expiration provided the Licensee has met the minimum performance requirements and is not in breach. The Licensor may terminate immediately on written notice if the Licensee fails to pay any amount within [PAYMENT CURE PERIOD, e.g., 15 days] after notice, breaches the scope, quality control, or ownership provisions, becomes insolvent, undergoes a change of control to a competitor of the Licensor, or challenges the validity of the Licensed Property. Either party may terminate for any other material breach not cured within [CURE PERIOD, e.g., 30 days] after written notice. On expiration or termination, all rights of the Licensee cease immediately, and the Licensee will stop all use of the Licensed Property, remove it from its premises, website, and materials, and deliver or destroy remaining artwork and confidential materials. Provided termination was not for a breach by the Licensee or a quality or safety failure, the Licensee may sell off Licensed Products already manufactured and in inventory as of the termination date for [SELL-OFF PERIOD, e.g., 120 days], subject to continued royalty reporting and payment, after which any remaining inventory will be destroyed or sold to the Licensor at [BUYBACK PRICE, e.g., manufacturing cost]. Accrued royalty obligations, minimum guarantees for the current year, audit rights, indemnification, and confidentiality survive termination.

14. 14. Governing Law and General Provisions

This Agreement is governed by the laws of the State of [GOVERNING STATE], without regard to conflict of laws rules. The parties will attempt to resolve any dispute through senior management negotiation for [NEGOTIATION PERIOD, e.g., 30 days] and then mediation in [MEDIATION LOCATION], and any unresolved dispute will be brought exclusively in the courts located in [VENUE COUNTY AND STATE], except that either party may seek injunctive relief in any court of competent jurisdiction to protect the Licensed Property. Nothing in this Agreement creates a partnership, joint venture, franchise, agency, or employment relationship, and neither party may bind the other. Each party will keep confidential the non-public information of the other and the terms of this Agreement for [CONFIDENTIALITY PERIOD, e.g., five years] after termination. This Agreement, with its exhibits, is the

entire agreement between the parties concerning the Licensed Property and supersedes all prior understandings; amendments must be in writing and signed by both parties. The Licensee may not assign this Agreement, including by change of control, without the prior written consent of the Licensor, and any attempted assignment in violation of this provision is void. If any provision is unenforceable, the remainder stays in effect and that provision will be narrowed only as far as necessary.

15. 15. Signatures

By signing below, each party acknowledges having read this Agreement, understanding it, and agreeing to be bound by it as of the Effective Date. LICENSOR: [LICENSOR NAME]. By: _____. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. LICENSEE: [LICENSEE NAME]. By: _____. Printed Name: [SIGNER NAME]. Title: [TITLE]. Date: [DATE]. This Agreement may be executed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Licensing raises questions of trademark, patent, and copyright law, quality control obligations that affect the validity of a licensed mark, tax and withholding treatment of royalties, competition law, and, where the arrangement involves a business system and a fee, franchise registration and disclosure laws that can apply even when the parties did not intend to create a franchise. Review and adapt this document for your own facts, and consult a licensed attorney before relying on it. Use of this template does not create an attorney-client relationship with ScanContract.

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