LICENSING AGREEMENT

This Licensing Agreement (this "Agreement") takes effect on _____, 20____ (the "Effective Date").

Licensor (the owner granting the license): _____, mailing address _____.

Licensee (the party receiving the license): _____, mailing address _____.

1. LICENSED PROPERTY

The licensed property is (check one): [ ] a trademark or brand; [ ] software; [ ] a patent or technology; [ ] a copyrighted work; [ ] a product design or character; [ ] other. Description, including any registration or patent numbers (the "Licensed Property"): _____.

The license covers only these products, services or uses (the "Licensed Products"): _____.

This Agreement is a license, not an assignment. The Licensor keeps ownership of the Licensed Property.

2. GRANT OF LICENSE

The Licensor grants the Licensee a (check one) [ ] non-exclusive [ ] sole [ ] exclusive, non-transferable license to use the Licensed Property for Licensed Products during the Term, in the following territory: _____, and in the following field of use (if any): _____.

Sublicensing is (check one): [ ] not allowed; [ ] allowed only with the Licensor's written consent; [ ] allowed, with the Licensee responsible for each sublicensee. All rights not expressly granted are reserved to the Licensor.

Software only: the Licensee may use the software for its internal business purposes by up to _____ users or devices, and will not copy (other than one backup), modify, reverse engineer, decompile, sublicense or rent it, except where the law expressly permits.

3. TERM AND RENEWAL

This Agreement starts on the Effective Date and lasts (check one): [ ] _____ years; [ ] until either party ends it under the Termination section; [ ] until the last licensed patent expires. At the end of a fixed term it (check one): [ ] ends; [ ] renews automatically for the same period unless either party gives _____ days' written notice; [ ] may be renewed once by the Licensee on _____ days' written notice.

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4. FEES AND ROYALTIES

Upfront license fee: $_____, due within 15 days after the Effective Date. Royalty: _____% of Net Sales and/or $_____ per unit sold. Recurring fee: $_____ per [ ] month [ ] year. Minimum annual royalty: $_____. Advance against royalties: $_____. Leave a line blank if it does not apply.

"Net Sales" means gross amounts invoiced for Licensed Products, less returns, customary discounts, separately billed shipping and collected sales taxes, with no other deductions.

Patent licenses: no royalty accrues on products made, used or sold after the last licensed patent expires.

Late amounts bear interest at the lower of 1% per month or the highest rate the governing law allows.

5. REPORTS, RECORDS AND AUDITS

Within 30 days after each [ ] month [ ] quarter [ ] year, the Licensee will send a royalty report with payment. The Licensee will keep records for three years. Once a year, on 15 days' notice, the Licensor may have an independent accountant audit them; if the audit finds an underpayment of more than 5%, the Licensee pays its cost.

6. QUALITY CONTROL

Licensed Products will meet the quality of samples the Licensor approves and all applicable laws. Before use, the Licensee will get written approval of: _____. The Licensor will respond within _____ business days; silence is not approval. Trademark licenses: all use and goodwill benefit the Licensor, and the Licensee will not register any confusingly similar mark.

7. OWNERSHIP, PROTECTION AND CONFIDENTIALITY

The Licensor owns the Licensed Property. Improvements made by the Licensee belong to (check one): [ ] the Licensor; [ ] the Licensee, with a free license back to the Licensor; [ ] the Licensee. Each party will promptly report any infringement it learns of. The Licensor decides whether to act against infringers.

Each party will keep the other's non-public information confidential during the Term and for three years after it ends.

8. WARRANTIES, INDEMNITY AND LIABILITY

Each party has authority to sign this Agreement. The Licensor represents that it owns or controls the Licensed Property, has granted no conflicting rights, and knows of no infringement claims. EXCEPT AS STATED, THE LICENSED PROPERTY IS PROVIDED "AS IS," WITHOUT ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

The Licensee will indemnify the Licensor against claims arising from Licensed Products, its breach, or unauthorized use. The Licensor will indemnify the Licensee against claims that the Licensed Property, used as permitted, infringes a third party's U.S. rights. NEITHER PARTY IS LIABLE FOR INDIRECT OR CONSEQUENTIAL DAMAGES, AND

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EACH PARTY'S TOTAL LIABILITY IS LIMITED TO $_____, except for indemnity, confidentiality, unpaid amounts and misuse of the Licensed Property.

Product liability insurance required of the Licensee: $_____ per occurrence, naming the Licensor as an additional insured (leave blank for none).

9. TERMINATION

Either party may end this Agreement if the other materially breaches it and does not cure within _____ days after written notice (10 days for unpaid amounts), or, to the extent the law allows, if the other becomes insolvent or bankrupt. Either party may end it for any reason on _____ days' written notice (leave blank if not allowed).

When it ends, the license ends, all amounts owed are paid within 30 days, and confidential information is returned. The Licensee may sell remaining inventory for _____ days after the end date, paying royalties (not available after the Licensee's breach). Software copies are deleted within 15 days.

10. GOVERNING LAW AND GENERAL TERMS

The laws of the State of _____ govern this Agreement. Disputes will be resolved (check one): [ ] in the courts of _____ County; [ ] by mediation, then court; [ ] by binding arbitration.

This Agreement is the complete agreement of the parties and can be changed only in a signed writing. The Licensee may not assign it without the Licensor's consent. If any part is unenforceable, the rest stays in effect. This Agreement may be signed in counterparts and electronically. Date signed: _____.

Additional terms: _____

SIGNATURES

Licensor

Signature: _____ Date: _____

Printed Name: _____

Licensee

Signature: _____ Date: _____

Printed Name: _____

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