

PATENT LICENSE AGREEMENT TEMPLATE



A Patent License Agreement is a legal contract between a patent owner (Licensor) that allows the other party (Licensee) to use, manufacture or sell the patented invention. The Agreement also established how the Licensee will pay the royalties to the Licensor. Usually, the License grants the exclusive right to manufacture and sell in a specific territory that commonly is a country. Patent licenses are typically granted for 20 years. The **Patent License Agreement** contains clauses about the titles of the Licensor, rate and schedules of royalties, infringement, cooperation, term and termination, biding effect applicable law and competent jurisdiction, etc.

PATENT LICENSE AGREEMENT

DATE:

BETWEEN:

..... [*company legal name*] whose registered office is at
[*address, city and country*] and registration/fiscal number is (hereinafter referred to as the “Licensor”),

AND:

..... [*company legal name*] whose registered office is at
[*address, city and country*] and registration/fiscal number is (hereinafter referred to as the “Licensee”),

Both parties express a mutual recognition of their legal authority to enter into this Patent License Agreement and declare that:

RECITALS

- I. The Licensor is the sole and exclusive owner of, and has the sole and exclusive right to grant licenses under Letters Patent of [*insert country*] issued to it, specifically, [*insert name and number of the patent*].

- II. Without admitting the validity of the above-mentioned patents, but solely for commercial purposes, the Licensee wishes to acquire the exclusive right and license to manufacture, sell and use apparatus embodying, employing and containing the invention patented in such Letters Patent, throughout the [*insert country*] and its territories.

In consideration of the matters described above, and of the mutual benefits and obligations set forth in this agreement, the parties agree as follows:

CLAUSES

1. GRANT OF LICENSE

The Licensor grants to the Licensee the exclusive right and license to manufacture, sell and use apparatus embodying, employing and containing the inventions patented in the above-mentioned Letters Patent, throughout the [insert country] and its territories, to the full end of the term or terms for which such Letters Patent have been or may be granted, and any reissue or reissues of such Letters Patent, unless this agreement is terminated prior to such term or terms, as provided below.

2. REPRESENTATIONS OF LICENSOR

The Licensor represents and warrants that it is the sole and exclusive owner of the entire right, title and interest in and to the above-mentioned [insert country] Letters Patent, and that it has the right to grant the exclusive right, license and privilege granted in this agreement; that it has executed no agreement in conflict with this agreement; and that it has not granted to any other person, firm or corporation any right, license, shop-right, or privilege granted under this agreement.

3. SCHEDULE OF ROYALTIES

The Licensee agrees to pay the Licensor, commencing[insert date], and after that date, during the continuance of this agreement, royalties on apparatus embodying and containing the above-mentioned inventions, which are manufactured, sold, and used by the Licensee; and such royalties shall be computed in the following manner: A sum based on a sliding scale, decreasing in accordance with the increased volume of sales of the Licensee, during any fiscal year, in accordance with the schedule set forth as follows:

.....
.....
.....

[Specify schedule of royalties].

4. RATE OF ROYALTIES

The Licensee shall have the right, option and privilege of selecting the rate of royalty to be paid according to the schedule contained in Article Three of this agreement, and for that purpose Licensee may for three quarterly periods of any fiscal year pay royalties on the minimum basis, and in the final quarter report upon the basis of the actual number of apparatus sold during the year, and the royalty for the entire year shall be computed on a basis of such reduced royalty, and adjustment and payment made accordingly. For example, the Licensee may for three quarterly periods report on the basis of sale of[insert amount and

currency] or under, and payments of royalties shall be made at the rate of[insert amount and currency] cents per hundred; when reporting for the fourth quarterly period, if the business done was much more extensive, Licensee may select a royalty at a lesser rate to cover the actual amount of sales, and the royalty payable for the entire year will be based upon such quantity. It is agreed, however, that the minimum guaranteed yearly royalty of the Licensor under this agreement, commencing [insert date], shall be[insert amount and currency] and that Licensor shall not in any one year, after[insert date], during the continuance of this agreement, receive less than that sum; and the Licensee shall not be chargeable with any sum in excess of.....[insert amount and currency] , unless the statements rendered by it show royalties due to the Licensor to be in excess of.....[insert amount and currency], in which event the Licensee shall pay the actual royalties due in the manner specified.

This is a sample of the Patent License Agreement.

To get more information about this contract click here:



[PATENT LICENSE AGREEMENT](#)

USER GUIDE

Contracts drafted by the legal experts of Global Negotiator cover all relevant aspects that are negotiated and agreed in the different types of business between companies. However, when these contracts are used you should take into account some recommendations common to all of them that are described in this User Guide.

DATE

The date when the contract comes into force is the one that appears in its header, as mentioned in the final paragraphs of the contract, before signatures (This Contract comes into force on the date written above).

In some contracts -for example in the Supply Contract- the date of coming into force is also mentioned in one of the clauses. In these cases, you have to verify that the two dates inserted in the contract (in the heading and in the corresponding clause) are the same, in order to avoid discrepancies.

PARTIES

Be sure to insert in the first page of the contract the full details of the Parties:

- When a Party is a company you must insert the following information: legal name, legal form (limited, incorporated, etc.), full address, registration data and fiscal identification number.
- When a Party is an individual that works as independent professional (for example a commercial agent) you must insert the following information: full name, profession, full address and fiscal identification number.

CLAUSES

Clauses with different alternatives: choose the most favorable

In the most important clauses of each contract (exclusivity, payment terms, applicable law and competent jurisdiction, etc.) several drafting alternatives are proposed so you can choose the most appropriate to each situation. Therefore, the user before submitting the contract to the other Party must choose the alternatives that seem best suited to their interests and eliminate the rest.

Clauses with blank spaces to be completed

In several clauses of the contract blank spaces appear with dots (.....) that the user has to complete inserting text. Following the dots, between brackets, you will see the data and explanations to insert the text.

- When the text between brackets is in normal letters (the same as the contract) and separated by "," or the word "o", the user must insert one of the options suggested.

Example of blank space (.....) with options to select between brackets:

Orders handled before completion of the present Contract which produce sales transactions within [1, 2, 3, 6] months shall entitle the Agent to receive the corresponding commission. In this case, the user must choose between options 1, 2, 3 or 6 months and insert one in the blank space (.....).

- When the text between brackets is in italics the user has to insert the data and information requested and eliminate the bracketed text.

Example of blank space - (.....) to insert text:

Both parties, by mutual consent, resolve to refer any dispute to the Rules of Conciliation and Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with said Rules. The place of arbitration shall be [*city and country*]. In this case, the user must insert in the blank space (.....) the city and country chosen to conduct the arbitration and afterward eliminate the bracketed text [*city and country*].

Notices Clause

Sometimes it may happen that the official address of the Parties which appear at the beginning of the contract is different from which is to be used for communications between the Parties during the terms of the contract. In this case, the user should include at the end of the contract a Notices Clause.

Example of Notices Clause:

Notices. - In order to comply with their contractual obligations, the Parties establish the following address for the provision of notices related to this contract:

- Party 1 [*insert full address*].
- Party 2 [*insert full address*].

ANNEXES

The contracts incorporate some Annexes, each of them, referenced to the corresponding Clause. Annexes are drafted in commonly used formats, although the user must adapt these formats and the text inserted in them to each particular situation.

SIGNATURES

People who sign

Persons signing the contract on behalf of the company must have the authority to do so and preferably, be entitled on the basis of a power of attorney. Below the signature, in addition to the full name of the person that signs his/her position must be inserted. When one of the Parties who signs is a natural person (for example a commercial agent in an Agency Contract) obviously he or she is the person that has to sign the contract.

The laws of some countries require that contracts, to be valid, shall be signed in front of witnesses or a public notary. Therefore, before signing a contract you should be informed about the requirements that may exist in each country.

Place and date of signature

Usually, contracts are signed by both Parties on the same date and place. Nevertheless, in international contracts, due to physical distance, it is common that each of the Parties sign in different dates and places. This contract provides for both alternatives, so it comes to choosing the most appropriate to each situation.

Number of copies

Usually, the Parties sign two copies of the contract, each Party retaining one of them, but can also arise the need to sign more copies. In this case, all you have to do is mentioned explicitly the number of copies to be signed in the paragraph that is included at the end of the contract (Both Parties declare their conformity to the present contract, which is signed in copies, each of which shall be considered an original).

GENERAL RECOMMENDATIONS

The Parties must sign all pages of the contract, including Annexes, so they are also valid. It is better to use ball point or pen (not pencil) in a color other than black (e.g.: blue); this makes it easier to distinguish an original document from a photocopy.

It is preferable (although no mandatory) to express sums of money and percentages in words and figures. Of course, the words and figures for a given amount must match exactly. You also must insert the currency in which the amounts are expressed. It is advisable to use the rules establish by ISO that name each currency by three capital letters (EUR for euro, USD for dollar, GBP for sterling pound, JPY for Japanese yen, etc. - you can get the acronyms of every currency in the website www.oanda.com).

Once you have chosen the best alternatives of each clause and have completed the blank spaces you should revise the whole contract to remove remaining paragraphs and correct any errors.

BUSINESS CONTRACTS & AGREEMENTS TEMPLATES

BUSINESS CONTRACTS

- Strategic Alliance Agreement
- Joint Venture Agreement
- Manufacturing Contract
- Supply Contract
- Service Provider Contract
- Consulting Services Contract

COMMERCIAL CONTRACTS

- Exclusive Distribution Contract
- Commercial Agency Contract
- Sales Representative Agreement
- Sales Commission Contract
- Real State Agent Agreement

LICENSE & FRANCHISE CONTRACTS

- Trademark License Agreement
- Technology Transfer Agreement
- Software License Agreement
- Franchise Contract
- Master Franchise Contract

CONFIDENTIALITY CONTRACTS

- Confidentiality Contract between Companies
- Confidentiality Contract for Product or Business Idea
- Confidentiality Contract for Employees
- Confidentiality Contract for Consultants and Contractors

SHAREHOLDERS & INVESTORS AGREEMENTS

- Shareholders Agreement for a New Company
- Investors Agreement
- Business Plan for Investors
- Business Proposal for Investors

BUSINESS SALE AND PURCHASE AGREEMENTS

- Business Sale and Purchase Agreement
- Share Sale and Purchase Agreement
- Broker Agreement for the Sale of a Business
- Broker Agreement for the Sale of Shares
- Confidentiality Agreement for Selling a Business
- Disclosure Letter for Selling a Business
- Letter of Intent to Purchase a Business
- Due Diligence Report
- Due Diligence Checklist
- Legal Due Diligence

Online Purchase

www.globalnegotiator.com

info@globalnegotiator.com



GLOBALNEGOTIATOR
International Documents

<https://www.globalnegotiator.com/en/business-contracts>