**COPYRIGHT LICENSING AGREEMENT**

This COPYRIGHT LICENSING AGREEMENT is entered into this Insert Date Contract is Signed by and between the following parties:

|  |  |  |
| --- | --- | --- |
| Licensor | : | Insert Company Name |
|  |  | EIN or SSN: Insert EIN if business entity, SSN if individual |
|  |  | *Contact*: Insert Name |
|  |  | Address Line 1 |
|  |  | Address Line 2 |
|  |  | Telephone |
|  |  |  |
| Licensee | : | Insert Company Name |
|  |  | EIN or SSN: Insert EIN if business entity, SSN if individual |
|  |  | *Contact*: Insert Name |
|  |  | Address Line 1 |
|  |  | Address Line 2 |
|  |  | Telephone |

RECITALS

WHEREAS, Licensor is the true and correct exclusive owner of certain a registered copyrighted work (hereinafter “Work”), a true and correct copy of the Work described in Exhibit A, attached hereto and integrated by reference.

WHEREAS, Licensee is a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ who wishes to use the Work for the purposes and intents set forth in this Agreement.

AGREEMENT

NOW THEREFORE, the undersigned parties integrate the foregoing recitals into the binding body of this Agreement and hereby agree to be bound for good and valuable consideration as follows:

1. EXCLUSIVE /or/ NON-EXCLUSIVE GRANT. Licensor hereby grants a(n) exclusive /or/ non-exclusive license to Licensee to use the Work for any of the following purposes (Uses):
   1. List out the allowed purposes and uses.
   2. Etc.
2. TERM AND OPTION TO RENEW. The grant of the Work shall endure for a term of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Term”), with an option to renew (“Option”) the License under the same terms herein if certain conditions are met, as stated in Covenant 11, “CONDITIONS FOR OPTION RENEWAL,” adjusted to reflect inflation rates as mutually confirmed by the parties, which must be exercised by Licensee in writing to Licensor 60 or more days prior to expiration of the Term.
3. ROYALTIES. In consideration for the license, Licensee shall pay to Licensor an initial flat fee, royalties on sales of Licensed Products, and as otherwise outlined in this section.
   1. **Flat Initial Fee.** Licensee shall pay Licensor an initial licensing fee of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_U.S. Dollars (US $\_\_\_\_\_\_\_\_\_\_\_\_) upon execution of this Agreement, which fee shall be non-refundable and shall be credited against the Guaranteed Minimum Royalties payable for License Year 1 under this Agreement.
   2. **Royalties.** In addition, in each License Year during the Term, Licensee shall pay to Licensor as a continuing royalty an amount equal to \_\_\_\_\_\_\_\_\_ percent (\_\_%) of the Net Sales /or/ Gross Sales of Licensed Products sold or otherwise disposed of (excluding sales or other dispositions to Licensor under this Agreement) during the License Year.
   3. **Net Sales of Licensed Products**. The Net Sales of Licensed Products shall be defined as actual sales price less allowable deductions for taxes, freight costs, and returns. /or below definition, depending on which is applicable/
   4. **Gross Sales of Licensed Products**. The Gross Sales of Licensed Products shall be defined as the gross dollar earnings on the Licensed Products at the point of sale.
   5. **Accruing of Royalties.** Such royalties shall accrue when the Licensed Products are sold, shipped, distributed, billed or paid for, whichever occurs earliest. Licensee shall provide Licensor on a quarterly basis for each License Year, a detailed written accounting of Licensed Products sold or otherwise disposed of during such quarter in each country included in the Territory, together with the amount of royalties due for such quarter to Licensor hereunder. For the second and each subsequent quarter (or partial quarter) included in the Term, such Accounting shall contain not only the required information for the most recently concluded quarter (or partial quarter), but also a "recap" covering the entire year to date.
   6. **License Year**. The Term consists of \_\_ license years, the terms of each year as follows:
      1. ***License Year 1*.** Insert any special applicable terms or conditions for License Year 1.
      2. ***License Year 2***. Insert any special applicable terms or conditions for License Year 2.
      3. ***License Year 3***. Insert any special applicable terms or conditions for License Year 3.
      4. ***Etc.***
4. TERRITORY. Licensee may use the Work pursuant to the Uses in the following geographical territories: insert allowed territories for sales of Licensed Products, e.g., X, Y, and Z counties of the state of ABC, or State of ABC, or North America, etc.
5. CHANNELS. Licensee may market or put into the stream of commerce the Work pursuant to the Uses through and only through the following channels: insert allowed channels of commerce, e.g., Licensee’s main website; are channels such as Ebay allowed?; wholesale versus retail; etc..
6. PRODUCTS. The grant of the Work may be used on pursuant to the Uses on the following products or types of products only: what types of products can the IP be used on only?
7. DESIGN & MANUFACTURING APPROVAL. In addition to the Uses set forth, the Work must meet the design, manufacturing, and quality standards of Licensor. Design of how the Work will be used by Licensee is at Licensee’s sole cost and expense, but subject to the approval of Licensor, though Licensor shall not unreasonably withhold approval. If, however, Licensor determines that the design or quality of manufacturing proposed by Licensee does not meet the standards of aesthetic taste or quality of Licensor and could therefore potentially dilute the good will Licensor has acquired, Licensor may reject the design and use of the Work by Licensee. Upon the submittal of any design or proposal of use for the Work, Licensor must respond with approval or rejection within 5 (five) business days of Licensor’s receipt of the design submission or proposal.
8. MANUFACTURING. All manufacturers, wherever located, that Licensee desires to use in connection with the manufacture of Uses of Work under this Agreement, are subject to the prior written approval of Licensor. In order to maintain Licensor's high standard of quality control and to insure that appropriate measures are taken against counterfeiting, Licensee shall provide Licensor with the following information: (i) name and address of each proposed manufacturer; (ii) type of products to be manufactured; (iii) quantity of products to be manufactured; and (iv) any other relevant information so requested by Licensor. Licensee shall obtain the signature of an authorized representative from each approved manufacturer used by Licensee on an agreement, as agreed to by Licensor and Licensee. Licensee shall not knowingly engage any manufacturer that has breached a similar agreement with Licensor or, to Licensee’s knowledge, any third party. Licensee acknowledges that it shall remain primarily liable and completely obligated under all of the provisions of this Agreement with respect to such manufacturing arrangements. Licensee will require all of its manufacturers (by means of agreements therewith) to comply with all of the provisions of this Agreement relating to quality standards, confidentiality and trademark protection, and with all customs, quota or other laws, rules and regulations, and with all workers’ rights (including child labor), environmental safety, and similar or related laws, rules and regulations. No manufacturer will have any right to sell products with the Work to any person, firm, corporation or entity other than Licensee or to ship Licensed Products to any location other than to Licensee’s facilities or Licensee’s customers within the Territory. Licensee will use commercially reasonable efforts to ensure that such manufacturers observe such laws and standards and that no manufacturer sells products containing the Work except as permitted. Licensee will monitor all manufacturers hereunder to ensure compliance herewith. Licensee will be fully responsible and liable to Licensor for the actions of its manufacturers, and any violation by any manufacturer of the terms of this Agreement will be deemed a default by Licensee hereunder, and further, in the event of any breach or default by a manufacturer, Licensee will promptly take all steps to cease operations with any such manufacturer, and all reasonable commercial steps to ameliorate and mitigate the effect of any breach (including repurchase of unlawfully shipped goods, for example).
9. PRICING STANDARDS. Licensee shall not sell Licensed Products below insert any minimum prices for selling the Licensed Products to maintain brand reputation.
10. NO SUB-LICENSING. Licensee may not sub-license or assign Licensee’s rights hereunder with regard to the Work to third parties.
11. CONDITIONS FOR OPTION RENEWAL. Licensee must have met certain milestones during the Term for an Option right to arise. Specifically, Licensee must prove all of the following:
    1. Licensee has insert set a sales minimum that must have been reached during the Term for Licensee to be entitled to a renewal of the license
    2. Other performance criteria?
12. NON-COMPETITION. In consideration for this Agreement and inducement to YOUR PARTY NAME to enter into this business relationship, OTHER PARTY NAME agrees acknowledges, represents, and warrants that neither it nor any of its shareholders, directors, officers, agents, or associates, personally or through OTHER PARTY NAME shall directly compete against YOUR PARTY NAME in the State of INSERT STATE for the duration of this Agreement and, additionally, two years after the termination of this Agreement. The parties further agree that the only way to fairly compensate YOUR PARTY NAME for any breaches of this covenant is through payment of liquidated damages. The parties agree that for each oral or written disclosure to private individuals or entities, YOUR PARTY NAME will sustain harm equivalent to the sum of $10,000.00 per disclosure and for each publication, online or in print, YOUR PARTY NAME will sustain harm equivalent to the sum of $100,000.00 for each publication. In the event of breach, OTHER PARTY NAME shall be liable for these sums pursuant to this liquidated damages clause and furthermore, shall be liable for any attorney’s fees or court costs incurred by YOUR PARTY NAME in pursuing recovery of the liquidated damages. The individual shareholders, directors, officers, agents, or associates of OTHER PARTY NAME shall be bound collectively as OTHER PARTY NAME under this Agreement and the undersigned represents and warrants that he or she is duly authorized to represent the aforementioned parties.
13. MORALITY CLAUSE. YOUR PARTY NAME reserves the absolute unfettered right to terminate this Agreement with 48 (forty-eight) hours written notice in any of the following circumstances: (a) OTHER PARTY NAME engages in any conduct in violation of criminal statutes or is convicted of a misdemeanor or felony; (b) OTHER PARTY NAME is found to have failed to disclose facts to YOUR PARTY NAME that would arise to a material omission, misrepresents material facts, or is found to engage in any misrepresentation or fraudulent conduct; (c) OTHER PARTY NAME engages in any conduct of moral turpitude that, at the sole discretion and judgment by majority vote of the Board of Directors of YOUR PARTY NAME would harm the public image of YOUR PARTY NAME; (d) OTHER PARTY NAME violates any law, rule, regulation, constitutional provision, bylaw, or any policy or procedure of YOUR PARTY NAME that, at the sole discretion and judgment by majority vote of the Board of Directors of YOUR PARTY NAME would harm the public image of YOUR PARTY NAME; or (e) OTHER PARTY NAME engages in any conduct that would be seriously prejudicial to the best interests of YOUR PARTY NAME in violation of YOUR PARTY NAME’s mission, purpose, or goals
14. MOST FAVORED NATIONS CLAUSE. OTHER PARTY NAME shall give YOUR PARTY NAME most favored nation status and represents and warrants that the purchase prices offered to YOUR PARTY NAME are the lowest prices of the goods offered in the United States market. In the event of a price decline or should OTHER PARTY NAME at any time during the life of this Agreement sell the goods to another buyer in the United States market at a price lower than that price offered to YOUR PARTY NAME, OTHER PARTY NAME shall take the affirmative action of immediately extending such lower prices to YOUR PARTY NAME. Failure or omission to do so shall constitute a material breach of this Agreement and shall subject OTHER PARTY NAME to liquidated damages in the sum of [INSERT SUM] for each instance of breach. The parties mutually agree and acknowledge that the foregoing sum is the fairest monetary representation of the damages YOUR PARTY NAME would sustain from each breach of this covenant
15. THIRD PARTY INFRINGEMENT CLAIMS. OTHER PARTY NAME indemnifies and holds harmless YOUR PARTY NAME for any and all claims, allegations, judgments, damages, injury, costs or awards arising from or sustained as a result of infringement claims attributed to Work.
16. INDEMNIFICATION. Licensee shall promptly notify Licensor in writing of any infringement or imitation of the Work or the use by any person of any intellectual property that may be confusingly similar to the Work which come to the attention of Licensee. Licensor will thereupon take such action as it deems advisable for the protection of the Work and its rights therein, and Licensee shall assist Licensor in the prosecution of any such suit, as Licensor may reasonably request. Except to the extent required by law, but only to such extent, Licensor shall not be required to take any action if it deems it inadvisable to do so, and Licensee will have no right to take any action with respect to the Work without the prior written consent of Licensor. Sub-licensees will have no right to take any action with respect to the Work. In the event a third party infringes the use of the Work in the Territory on items the same as or similar to the products manufactured under the License, Licensor shall take all advisable and necessary measures to protect the Work and Licensee agrees that, at Licensor’s request, it will pay the costs incurred therefore, including judicial expenses and legal fees.
17. TERMINATION. The Agreement shall terminate automatically upon the expiration of Term or in the event that the Option is exercised, after the extended Term pursuant to the Option. However, at any time prior to the expiration of Term, YOUR PARTY NAME reserves the right to terminate this Agreement if any of the following events occur:
    1. OTHER PARTY NAME becomes insolvent or petitions for bankruptcy;
    2. OTHER PARTY NAME defaults on any payment obligations; or
    3. OTHER PARTY NAME breaches a material term of this Agreement; and
    4. In the event of termination of this Agreement for any reason whatsoever, Licensee shall destroy all products or materials containing the Work. Any and all products or materials with respect to the Work must be removed from commerce, sale, or any of the Uses at Licensee’s expense and Licensee shall either sign an affidavit or declaration under penalty of perjury affirming that all such products or materials have been removed from commerce, sale, or any of the Uses or, should Licensee refuse to sign such a document, be liable for liquidated damages in the sum of $10,000.00 (Ten Thousand Dollars), which the parties hereby agree is the only way to fairly compensate YOUR PARTY NAME for the harms, and in the event YOUR PARTY NAME needs to pursue legal action to recover said liquidated damages, if YOUR PARTY NAME prevails, then it shall also have the right to recover its reasonable attorney’s fees..
18. CONFIDENTIALITY. In the event that a separate confidentiality or non-disclosure agreement has been executed by the undersigned parties, either prior to or subsequent to the execution of this Agreement, the terms of that separate confidentiality or non-disclosure agreement shall govern. If no separate confidentiality or non-disclosure agreement exists, then this covenant shall apply. All communications, written or oral, made between the parties during the course and scope of this Agreement shall be held in strictest confidence and may not be disclosed to any person or entity that is not a party to this agreement. The undersigned parties may disclose said confidential information to their shareholders, directors, officers, employees, associates, agents, or independent contractors of the corporate entities that the undersigned represent if and only if those parties have duly executed a general confidentiality agreement with the corporate entity. Otherwise, disclosure of confidential information arising from this Agreement to such parties shall be strictly prohibited. This confidentiality clause shall survive the term of this Agreement.
19. LEGAL AND REGULATORY COMPLIANCE. Licensee must adhere to all applicable federal, state, local, or other agency, legal or regulatory, codes, laws, statutes, and rules in Licensee’s use of Work. Licensee shall be solely responsible for any and all liabilities arising from Licensee’s failure to comply with legal and regulatory mandates, and shall indemnify and hold harmless Licensor for any such failures on Licensee’s part, including but not limited to recovery of all court costs, penalties incurred, fines, business losses, opportunity loss, and reasonable attorney’s fees.
20. SPECIFIC ENFORCEMENT. The undersigned parties acknowledge and agree that the goods or services arising from this Agreement are unique and irreparable harm and substantial detriment would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state thereof having jurisdiction, this being in addition to any other remedy to which they may be entitled at law or equity.
21. NO PARTNERSHIP OR AGENCY CREATED. There shall be no implicit creation of a partnership or agency between the parties. Neither party shall represent or hold itself out as an agent, legal representative, partner, subsidiary, joint venture, or employee of the other. Neither party shall have the right or power to bind or obligate the other, in any way, manner or thing whatsoever, nor represent that it has any right to do so.
22. SEVERABILITY. If any term or provision of this Agreement shall to any extent be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
23. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement to date between the parties hereto and supersedes every previous agreement, communication, expectation, negotiation, representation or understanding, whether oral or written, express or implied, statutory or otherwise, between the parties hereto with respect to the subject matter of this Agreement.
24. COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Agreement by signing any such counterpart.

IN WITNESS WHEREOF, the undersigned parties cause this Agreement to be duly signed and executed this \_\_\_\_\_ day of the month of \_\_\_\_\_\_\_\_\_\_\_\_ and year \_\_\_\_\_\_ in the City of \_\_\_\_\_\_\_\_\_\_\_, State of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| LICENSOR | |  | LICENSEE | |
| X | |  | X | |
|  | |  |  | |
|  |  |  |  |  |
| Company: |  |  | Company: |  |
| Signor’s Name: |  |  | Signor’s Name: |  |
| Position/Title: |  |  | Position/Title: |  |

Exhibit A

Description of the Copyrighted Work

Here, be sure to describe or provide images of the copyrighted Work that this licensing contract governs.