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-LICENSE AGREEMENTS-

QUESTION

What is a license agreement?

ANSWER

A license agreement is a legal contract between a licensor and licensee, where the licensor grants the licensee the right to produce and sell goods, apply a brand name or trademark, or use a patented technology. In exchange, a licensee usually agrees to certain conditions regarding the use of the licensor's property and agrees to pay royalties. License agreements exist in many different forms including, for example, product license agreements, software license agreements, end user license agreements, open source license agreements, software distribution agreements, master services agreements, trademark license agreements, terms of service agreements, software as a service agreements, and music license agreements.

QUESTION

What is the purpose of a license agreement?

ANSWER

A license is a contractual right that helps you control, manage, and protect your IP, by allowing an intellectual property rights holder (licensor) to make money from an invention or creative work by charging a user (licensee) for use.

QUESTION

What types of property rights can be the subject of a license agreement?

ANSWER

- Copyrights (original works of authorship fixed in any tangible form of expression)
- Patents (inventions)
- Trademarks (words, names, or symbols to identify goods or services and distinguish them from others)

QUESTION

What should the license grant (of rights) include?

ANSWER

1. Who is receiving the grant? "Licensor grants to Licensee [and its affiliates, subcontractors, customers...]"
2. Preliminary matters
 - a. Exclusive or nonexclusive?
 - b. Worldwide or in territory?
 - c. Perpetual or limited?
 - d. Transferable or nontransferable?
 - e. Royalty-bearing or royalty-free?
 - f. Sub-licensable or not?
3. What IP is being licensed?
4. What rights are being conferred?
5. Are there any restrictions?

QUESTION

More generally, what should a license agreement include?

ANSWER

- *Scope of the agreement*
A license assigns limited use rights to property. It's important to keep ultimate ownership rights, but the granted rights should be broad enough so customers are able to and desire using the product. A license is typically non-exclusive so it could be sold to various people.
- *Revenue*
Terms controlling revenue streams are key. Examples include a one-time license fee paid at purchase, recurring payments such as royalties or monthly lease payments, and ongoing maintenance charges.
- *Other terms:*
 - Term (length of agreement)
 - Rights to modify and combine with other products
 - Prohibited uses
 - Transfer and sublicense rights
 - Rights to source code
 - Acceptance, testing, and training procedures
 - Warranties
 - Limitations on licensor's liability
 - Support services
 - Nondisclosure or confidential information
 - Indemnity for infringement
 - Enforcement of remedies
 - Contract termination

For more information, visit here: <http://techcontracts.com/forms>