

**DATED << >>**

**(1) << >>**

**(2) << >>**

**COPYRIGHT ROYALTY AGREEMENT**

**THIS AGREEMENT** is made the <<insert day>> day of <<insert month>> <<insert year>>

**BETWEEN:**

- (1) <<Name of Licensor>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<Address>> (“the Licensor”) and
- (2) <<Name of Licensee>> [a company registered in <<Country of Registration>> under number <<Company Registration Number>> whose registered office is at] **OR** [of] <<Address>> (“the Licensee”)

**WHEREAS:**

- (1) The Licensor owns the intellectual property rights in the Works listed in Schedule 1.
- (2) The Licensee wishes to use the works listed in Schedule 1 in the Project detailed in Schedule 2.
- (3) The Licensor wishes to grant a licence to the Licensee to use the intellectual property rights in the Works listed in Schedule 1 in accordance with the terms and conditions of this Agreement and subject to the payment of the Royalties set out in Clause 7 of this Agreement.

**IT IS AGREED** as follows:

**1. Definitions and Interpretation**

1.1 In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

<b>“Confidential Information”</b>	means information relating to this Agreement, any business information relating to either Party, and any other information which either Party may describe as confidential;
<b>“Effective Date”</b>	means [the date of this Agreement] <b>OR</b> [<<insert date>>];
<b>“Gross Receipts”</b>	means all sums arising from the sale of the Project Works before any deductions of any nature are made;
<b>“Licensed Rights”</b>	means the copyright [and any and all other intellectual property rights] subsisting in the Works;
<b>“Net Receipts”</b>	means the Gross Receipts of the Project Works subject to deductions for value added tax, other sales tax, packaging, transportation and insurance [and any other industry-specific normally deductible costs];
<b>“Project”</b>	means the use to which the Licensee will put the Works and the Licensed Rights as set out in Schedule 2;

<b>“Project Works”</b>	means	duced by the Licensee
<b>“Quarter”</b>	means	which shall end on 31 <sup>st</sup>
<b>“Royalty / Royalties”</b>	means	consideration of the licence
<b>“Term”</b>	means	ement as set out in
<b>“Territory”</b>	means	territory>>; and
<b>“Works”</b>	means	odule 1.

- 1.2 Unless the context otherwise requires, the following definitions apply in this Agreement to:
  - 1.2.1 “writing”, and any other form of communication effected by any means, including facsimile transmission or electronic transmission, in any form or by any means;
  - 1.2.2 a statute or a provision of law, or a provision as amended or re-enacted;
  - 1.2.3 “this Agreement” is this Agreement and each of the Schedules as amended or re-enacted;
  - 1.2.4 a Schedule is a schedule to this Agreement;
  - 1.2.5 a Clause or paragraph is a Clause or paragraph of this Agreement (other than the Schedules) and a Schedule;
  - 1.2.6 a “Party” or the “Parties” are the parties to this Agreement.
- 1.3 The headings used in this Agreement shall have no effect upon the interpretation of this Agreement.
- 1.4 Words imparting the singular shall include the plural and vice versa.

## 2. Grant of Rights

The Licensor hereby grants to the Licensee a non-exclusive licence (the “Licence”) within the Territory and over the Licensed Works solely for the purposes of the Licensed Rights and the Licensed Works.

## 3. Scope of Licence

- 3.1 The Licensee may not:
  - 3.1.1 use the Licensed Rights for any purposes other than those which are directed by the Licensor;
  - 3.1.2 use the Licensed Rights in any manner outside the Territory;

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3.1.3 use any part of the Licence that falls outside of the defined Territory;

3.1.4 use any rights subsisting in the Licensed Rights.

3.2 The Licensee shall [not] be permitted to sub-license, sub-contract or otherwise transfer the benefit of the Licence [without the prior written consent of the Licensor, such consent not to be unreasonably withheld].

#### 4. **[Licensor's Rights and Obligations]**

4.1 During the Term and within the Territory, the licence granted under Clause 2 is an exclusive licence.

4.1.1 the Licensor shall not exercise any of the Licensed Rights; and

4.1.2 the Licensor shall not grant any of the Licensed Rights.

4.2 Nothing in this Agreement shall prevent the Licensor's freedom to use or to grant any licenses of the Licensed Rights in the Territory at any time.]

#### 5. **Licensee's Rights and Obligations**

5.1 The Licensee shall be fully responsible for the exploitation of the Works and for all works derived from the Project.

5.2 The Licensee shall be the sole beneficiary of the Project Works and the Licensor shall have no right in the Project or the Project Works.

#### 6. **Waiver of Moral Rights**

The Licensor hereby waives all moral rights in the Copyright, Designs and Patents Act 1988 arising out of Chapter IV of the Copyright, Designs and Patents Act 1988.

#### 7. **Payment, Royalties and Records**

7.1 On the Effective Date, the Licensee shall pay to the Licensor:

7.1.1 [the sum of £<<insert amount>> ("the Advance") in consideration for the Licence under this Agreement]

7.1.2 an advance against Royalties of <<insert amount>> (the "Advance").

7.2 Following the complete recording of the Project Works, the Licensee shall pay to the Licensor Royalties of <<insert percentage>>% of the Net Receipts of the Project Works in accordance with sub-Clause 7.3.

7.3 Within <<insert period>> of the end of each calendar month, the Licensee shall submit to the Licensor a written statement of Gross Receipts and Net Receipts from the Project Works exploited during the month and the Royalties due therefor.

7.4 The Royalties payable for each month shall be paid within <<insert period>>

exercised by the Licence or that is set out in Schedule 1; or

which do not form part of the Licence.

sub-license, sub-contract or otherwise transfer the benefit of it to a third party without such consent not to be unreasonably withheld].

the licence granted under Clause 2 is an exclusive licence.

Licensed Rights; and

of the Licensed Rights.

or's freedom to use or to grant any licenses of the Licensed Rights in the Territory at any time.]

of the Licensed Rights and the Project.

and of the Project Works and the Licensee shall have no right in the Project or the Project Works.

arising out of Chapter IV of the Copyright, Designs and Patents Act 1988.

Licensor:

ment") in consideration for the Licence under this Agreement]

m>> (the "Advance").

from Net Receipts, the Licensee shall pay to the Licensor Royalties of <<insert percentage>>% of the Net Receipts of the Project Works in accordance with sub-Clause 7.3.

the Licensee shall submit to the Licensor a written statement of Gross Receipts and Net Receipts from the Project Works exploited during the month and the Royalties due therefor.

d within <<insert period>>



of the end of that Quarter.

7.5 The Licensee shall be required to maintain books of account detailing all information required for the Agreement.

7.6 The Licensor shall have the right, on written notice, and during normal working hours, to inspect and audit the books of account kept by the licensee under sub-Clause 7.5. Any such inspection shall be conducted only in the event of an underpayment of Royalties. The cost of such inspection shall be borne by the Licensee.

7.7 In the event that a shortfall is identified by an inspection carried out by the Licensor under sub-Clause 7.6, the Licensee shall immediately pay to the Licensor any such shortfall.

**8. Licensor's Warranties**

8.1 The Licensor hereby warrants and represents:

8.1.1 that the Licensed Rights are owned exclusively and absolutely by the Licensor and that the Licensor has the right to license them to the Licensee;

8.1.2 that no third party has or claims to have an interest in the Works nor has claimed the same at any time;

8.1.3 that to the best of its current knowledge and belief [after due and diligent enquiry], the Licensee is not infringing (nor threatened to infringe) any Intellectual Property Rights (be so) by any third party;

8.1.4 that to the best of its current knowledge and belief [after due and diligent enquiry], no third party has or claims to have an interest in the Licensed Rights at any time [within a period of << >> years prior to the Effective Date]; and

8.1.5 that nothing in the Works is obscene, illegal, dishonest, defamatory, libellous, untruthful, defamatory or otherwise infringes the common law or any third party.

8.2 The Licensor gives no warranty beyond those detailed in sub-Clause 8.1. The Licensee shall accept the Works, the Licensed Rights and any other matter as they are.

**9. Licensee's Warranties**

The Licensee hereby warrants and represents:

9.1 that it has the right to enter into this Agreement;

9.2 that it shall pay all sums due under the Agreement in accordance with Clause 7; and

9.3 that it shall not exceed the rights granted to it under the Agreement.



**10. Indemnity**

- 10.1 The Licensee shall indemnify the Licens
- 10.2 The Licens
- 10.3 The indemnities set out in sub-clause 10.2 shall apply provided that in all cases the indemnified party shall:
  - 10.3.1 notify the indemnifying party as soon as reasonably possible of any claim, loss or damage;
  - 10.3.2 consult the indemnifying party in connection with any such matter;
  - 10.3.3 make no agreement to settle or compromise any such claim, loss or damage without the prior agreement of the indemnifying party, such agreement not to be unreasonable.

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**11. Proceedings**

- 11.1 The Licensee shall inform the Licens
- 11.1.1 infringement, actual or potential
- 11.1.2 claims that the Work infringes the rights of any third party.
- 11.2 In the event of any infringement of the Licensed Rights:
  - 11.2.1 the Licens
  - 11.2.2 the Licens
  - 11.2.3 the Licensee shall provide the assistance that may be reasonably required by the Licens
  - 11.2.4 the Licens
  - 11.2.5 the Licens

y if it becomes aware of

the Licensed Rights; or

s infringe the rights of any

er sub-Clause 11.1:

taken;

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assistance that may be

to conduct any claims or

r any reasonable costs or

the Licensee in rendering

s or proceedings and shall

ered from a third party in

**12. Confidentiality**

- 12.1 Both the Licens

at they shall, except as

writing by the other, at all



times during the continuance of this Agreement and [for <<insert period>> years] after its termination:

and [for <<insert period>>

12.1.1 keep confidential all Confidential Information;

any other party;

12.1.2 not disclose any Confidential Information to any other party;

12.1.3 not use any Confidential Information for any purpose other than as contemplated by this Agreement;

any purpose other than as

12.1.4 not make any copies of Confidential Information or part with possession of any Confidential Information;

or part with possession of

12.1.5 ensure that (as applicable) no Confidential Information is disclosed by its directors, officers, employees, agents or advisers to any person, including any person named by that Party, who would be in breach of the provisions of sub-Clauses 12.1.1 to 12.1.4.

directors, officers, employees, agents or advisers of that Party, would be in breach of the provisions of sub-Clauses 12.1.1 to 12.1.4.

12.2 Subject to sub-Clause 12.2.1, the disclosing Party shall not disclose any Confidential Information to:

disclose any Confidential Information to:

12.2.1 any of their sub-contractors;

contractors; or

12.2.2 any governmental or regulatory body; or

12.2.3 any of their employees, agents or advisers, or any other person, other than those described in sub-Clauses 12.2.1 and 12.2.2.

of any party described in

12.3 Disclosure under sub-Clause 12.2.3 shall be limited to the extent that is necessary for the purposes of the Agreement, or as required by law. In each case the disclosing Party shall ensure that the recipient of Confidential Information is a body described in sub-Clause 12.2.1 or 12.2.2. If the recipient is a body, the disclosing Party shall obtain a written undertaking from the recipient that it will keep Confidential Information confidential and to use it only for the purposes for which the disclosure is made.

only to the extent that is necessary for the purposes of the Agreement, or as required by law. In each case the disclosing Party shall ensure that the recipient of Confidential Information is a body described in sub-Clause 12.2.1 or 12.2.2. If the recipient is a body, the disclosing Party shall obtain a written undertaking from the recipient that it will keep Confidential Information confidential and to use it only for the purposes for which the disclosure is made.

12.4 Either Party may use any Confidential Information for any purpose, or disclose it to any other party, where the disclosure is or becomes public knowledge through no fault of the disclosing Party.

for any purpose, or disclose Confidential Information if the Confidential Information is or becomes public knowledge through no fault of the disclosing Party.

12.5 When using or disclosing Confidential Information under sub-Clause 12.4, the disclosing Party must ensure that it does not disclose any part of that Confidential Information which is not intended to be disclosed.

under sub-Clause 12.4, the disclosing Party must ensure that it does not disclose any part of that Confidential Information which is not intended to be disclosed.

12.6 The provisions of this Clause shall apply in accordance with their terms, notwithstanding any other provisions of this Agreement.

shall apply in accordance with their terms, notwithstanding any other provisions of this Agreement for any reason.

**13. Term and Termination**

13.1 This Agreement shall come into force on the Effective Date and shall continue in force for a period of (the "Term") unless otherwise terminated in accordance with the provisions of this Agreement.

Effective Date and shall continue in force for a period of (the "Term") unless otherwise terminated in accordance with the provisions of this Agreement.

13.2 The Term may be renewed for successive periods of (the "Term") upon the mutual consent of both Parties.

and conditions as set out in sub-Clause 13.2 upon the mutual consent of both Parties.

13.3 Either Party has the right to terminate this Agreement immediately by written notice if the other:

may terminate this Agreement immediately by written notice if the other:

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- 13.3.1 has committed a material breach of this Agreement, unless such breach is capable of being remedied and the Licensee has the right to terminate immediately will be deemed to be a breach of this Agreement if the Licensee has failed to remedy the breach within << 30 days of written notice to do so;
  - 13.3.2 has an encumbrance (being a company) has a receiver appointed over its assets;
  - 13.3.3 holds a meeting of creditors or a voluntary arrangement, moratorium or other arrangement of the same kind (including an arrangement under Part 1 of the Insolvency Act 1986) or becomes subject to an administration order (within the meaning of the Insolvency Act 1986);
  - 13.3.4 has (being an individual) or (being a company) entered into a voluntary order made against it or a similar arrangement (except for the purposes of amalgamation or reconstruction) in such a manner that the Licensee is bound by or bound to assume the obligations of the Licensee under this Agreement);
  - 13.3.5 ceases, or threatens to cease, to carry on its business.
- 13.4 Sub-Clause 13.3 shall also apply to anything analogous to any of the provisions of that sub-clause under the law of any jurisdiction.
- 13.5 Any and all obligations of the Licensee shall survive termination and expiry of this Agreement

## 14. Post Termination

- 14.1 Upon the termination of this Agreement, the Licensee shall:
  - 14.1.1 immediately cease to perform Project Works and shall not accept any new orders for Project Works;
  - 14.1.2 immediately cease to perform Licensed Rights and the Project Works (save for any Project Works which remain in force); and
  - 14.1.3 where the termination of this Agreement is due to the Licensee's breach, offer to the Licensor the option to purchase the Licensee's remaining stocks of Project Works in its possession or control, at the best price, the Licensee's remaining stocks of Project Works in its possession or control, at the best price, the Licensee's remaining stocks of Project Works in its possession or control, at the best price;
  - 14.1.4 where the termination of this Agreement is due to the Licensor's breach, offer to the Licensee the option to purchase the Licensee's remaining stocks of Project Works in its possession or control, at the best price that the Licensor may determine.
- 14.2 In the event that the Licensee exercises the options set out in sub-Clauses 14.1.3 or 14.1.4, the Licensee shall be required to purchase the Project Works and materials which remain.

## 15. Non-Assignment of Agreement

Neither Party shall assign, transfer or otherwise make over



to any third party the benefit and/or consent of the other, such consent

without the prior written consent withheld.

**16. Notices**

16.1 All notices under this Agreement if signed by the Party giving as appropriate.

and be deemed duly given by an authorised officer thereof,

16.2 Notices shall be deemed to

16.2.1 when delivered, if delivered by registered mail) during

by any messenger (including express) within 24 hours of the recipient; or

16.2.2 when sent, if transmission report of

by e-mail and a successful transmission report is received; or

16.2.3 on the fifth business day after, if mailed by national ordinary mail, postage

prepaid, if mailed by national

16.2.4 on the tenth business day after, if postage prepaid.

prepaid, if mailed by airmail,

16.3 All notices under this Agreement shall be sent to the most recent address, e-mail address, or

address, e-mail address, or telephone number to the other Party.

**17. Force Majeure**

Neither Party to this Agreement shall be liable for their obligations where such failure is due to a reasonable control of that Party. Such failure, Internet Service Provider, storms, earthquakes, acts of terrorism, or any other event that is beyond the control of t

failure or delay in performing its obligations by any cause that is beyond the control of the Party are not limited to: power outage, civil unrest, fire, flood, or any other force majeure event or any other

**18. No Waiver**

The Parties agree that no failure to comply with any provision in this Agreement shall constitute a waiver of any provision or any other provision of this Agreement and shall not constitute a continuing waiver.

the performance of any provision of this Agreement shall not constitute a waiver of any provision or any other provision of this Agreement and shall not constitute a continuing waiver.

**19. Severance**

The Parties agree that, in the event any provision of this Agreement is found to be unenforceable, the remainder of this Agreement shall be

of the provisions of this Agreement shall be unenforceable, that / those provisions of this Agreement. The

**20. Law and Jurisdiction**

20.1 This Agreement (including a

rights and obligations arising



therefrom or associated therewith, and construed in accordance with, the laws of England and Wales.

20.2 Any dispute, controversy, or claim arising out of or in connection with this Agreement (including any dispute as to its existence, validity or termination) shall be referred to and finally decided by arbitration in London, England, in accordance with the rules of arbitration of the London Court of International Arbitration (LCIA) and the jurisdiction of the courts of England and Wales.

governed by, and construed in accordance with, the laws of England and Wales.

between the Parties relating to this Agreement, including any dispute as to its existence, validity or termination, shall be referred to and finally decided by arbitration in London, England, in accordance with the rules of arbitration of the London Court of International Arbitration (LCIA) and the jurisdiction of the courts of England and Wales.

**IN WITNESS WHEREOF** this Agreement has been made and signed in writing before written

on the day and year first above written.

SIGNED by  
<<Name and Title of person signing for Licensor>>  
for and on behalf of <<Licensor's Name>>

In the presence of  
<<Name & Address of Witness>>

SIGNED by  
<<Name and Title of person signing for Licensee>>  
for and on behalf of <<Licensee's Name>>

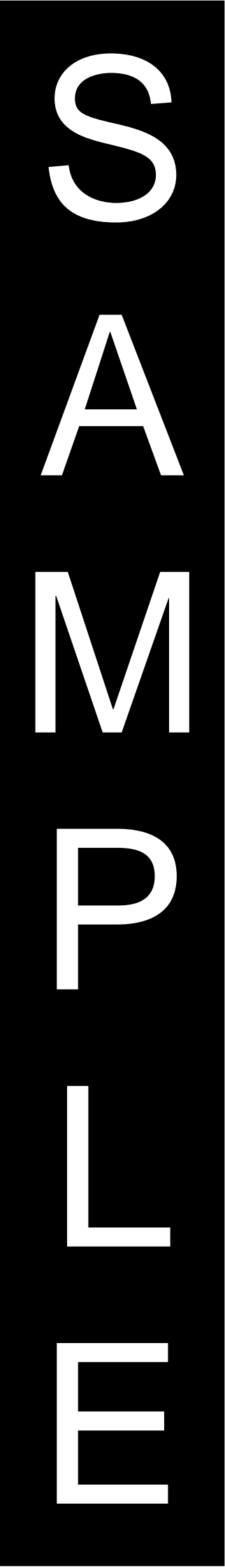
In the presence of  
<<Name & Address of Witness>>



SC

**Works**

<<insert details of the works to be licensed



SC

**Project**

<<insert details of the Licensee's project / i s and Licensed Rights>>

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