

[WARNING - This sample agreement is only one possible example and is for reference purposes only. It may not meet the needs of specific transactions, and no recommendation is made as to the content of any of the clauses contained herein. Please consider the content of the individual clauses contained herein by also referring to the content of the main text of the Report. You should consult a qualified attorney for your specific needs. Neither the Japan External Trade Organization (JETRO) nor the parties involved in the preparation of this sample agreement assume any responsibility or liability for any use hereof.]

DATED THE ____ DAY OF _____ 20[]

BETWEEN

[FIRST PARTY]

AND

[SECOND PARTY]

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "**Agreement**") is made on this ____ day of _____ 200_

BETWEEN:-

(1) **[FIRST PARTY]**, incorporated in [COUNTRY] and having its address at [address] ("**Licensor**");

AND

(2) **[SECOND PARTY]**, incorporated in [COUNTRY] and having its address at [address] ("**Licensee**")

(collectively known as the "Parties" and individually as the "Party").

WHEREAS:-

The Licensor has agreed to license to the Licensee and the Licensee has agreed to accept the right to use the Inventions for the purposes of and in connection with the Business upon the terms and conditions set out in this Agreement;

NOW IT IS HEREBY AGREED as follows:-

1. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings, unless the context requires otherwise:-

"**Business**" shall mean the business of [] in Thai which the Licensee is engaged in or intends to engage in;

"**Thai**" shall mean the Kingdom of Thailand;

"**Thai Baht**" shall mean the lawful currency of the Kingdom of Thailand.

"**Inventions**" shall mean any invention of technology and formula owned by the Licensor, the particulars of which are set out in Schedule 1 hereto and all other inventions of technology and formula which may be owned by the Licensor and developed or used from time to time by the Licensor;

"**Premises**" shall mean _____; and

"**Territory**" shall mean _____.

2. LICENSE

2.1 Subject to the terms and conditions of this Agreement the Licensor hereby grants to the Licensee and the Licensee hereby accepts an [exclusive/non-exclusive] license to use the Inventions in connection with the Business in the Territory with effect from the date of this Agreement.

- 2.2 The Licensee shall not grant any sublicense without the prior written consent of the Licensor.
- 2.3 Subject to Clause 2.2, the license granted pursuant to Clause 2.1 is not transferable by the Licensee to any other party and the Licensee is not authorized to use the Inventions outside Thai or in connection with any business other than the Business.

3. OWNERSHIP

The Licensee hereby acknowledges the ownership of and the right of the Licensor to use, exploit and license the Inventions. The Licensee undertakes that it will not, directly or indirectly, at any time during or after the duration of this Agreement, do or allow to be done any act or thing which will in any way impair the ownership, rights and title of the Licensor in the Inventions, including without limitation the right of the Licensor to patent the Inventions in Thai or elsewhere.

4. CONDITIONS OF USE

- 4.1 The Licensee shall use the Inventions, during the term of this Agreement, only to the extent reasonably necessary to carry out the Business in Thai.
- 4.2 The Licensee's use of the Inventions must be in strict accordance with the terms and conditions of this Agreement and any specifications issued by the Licensor in writing from time to time.
- 4.3 The Licensee shall from time to time as requested by the Licensor allow the Licensor's representative to enter the Premises during working hours with prior appointment for the purpose of examining compliance with the terms of this Agreement by the Licensee.

5. IMPROVEMENTS

- 5.1 The Licensee may make improvements to the Inventions during the term of this Agreement.
- 5.2 If the Licensee makes any improvement to Inventions during the term of this Agreement, the Licensee shall disclose the details of such improvement to the Licensor without delay after the completion of such Inventions. The Licensor shall make payment to the Licensee of appropriate consideration for such disclosure, and the method of payment of such consideration and the amount thereof will be determined separately upon mutual consultation between the parties.
- 5.3 The Licensor has the worldwide right to use, or license to a third party, any improvements to the Inventions that are made by the Licensee during the term of this Agreement. The Licensor shall make payment to the Licensee of appropriate consideration for such use, and the method of payment of such consideration and the amount thereof will be determined separately upon mutual consultation between the parties.

- 5.4 The Licensor may, upon consultation with the Licensee, receive assignment of the rights pertaining to any improvements to the Inventions that are made by the Licensee during the term of this Agreement.

6. TRAINING

Should the Licensee require trainings from the Licensor in the course of the licensing and the training required are within the scope of training as stipulated in Schedule 2 of this Agreement, the Licensor shall provide the training, suitable trainers and technical assistance as required. The Licensee shall bear all the costs involved. The Licensor makes no warranty and bears no responsibility whatsoever in respect of the result of the training.

7. PROTECTION OF THE INVENTIONS

- 7.1 The Licensee shall execute all such documents and do all such acts and things as may be necessary to protect the Inventions, and shall not do anything or omit to do anything if such action or omission shall damage any Invention. In this regard, the Licensee shall fully comply with all the laws and regulations of Thai. The Licensee agrees to give immediate notice in writing to the Licensor of any infringement or possible infringement of the Inventions, which may come to its attention.
- 7.2 The Licensor may, in its absolute discretion, take such action as it may deem necessary or desirable, at law or otherwise, in Thai or elsewhere, to stop any infringement of the Inventions and, in the event any sum is recovered pursuant to such action whether as damages or otherwise, the Licensor shall have the exclusive right thereto.

8. PATENTING OF THE INVENTIONS

- 8.1 In the event that the Licensor proceeds to patent or is in the process of patenting the Inventions in Thai, the Licensee shall do all that is necessary to assist the Licensor to complete such patenting of the Inventions including without limitation the signing of any document that the Licensor may require.
- 8.2 The Licensee agrees not to, directly or indirectly, patent the Inventions in Thai or elsewhere.
- 8.3 In the event that the Inventions are patented under the Patent Law of Thai, the Licensee shall execute and deliver all such documents and take such actions as the Licensor may request, including without limitation recording this Agreement or a new agreement (should this be necessary) with the Thai Department of Intellectual Property, so that this Agreement is in compliance with the requirements of the Patent Law of Thai. Any such new agreement shall have the same terms as this Agreement but with necessary modifications to reflect the fact that the Patent has been registered. The parties shall also agree to include into any such new agreement such terms, and make such amendments, that are required under the laws and regulations of Thai.

9. PAYMENTS

- 9.1 In consideration of the granting of the License, the Licensee hereby agrees and undertakes to pay to the Licensor royalty in the amount of _____ (the "Fee") within _____ days of signing of this Agreement.
- 9.2 The Fee shall be remitted to the Licensor, without set-off, deduction or withholding and in [Thai Bahts/USD/Yen], to the Licensor's designated bank account. In the event that the Licensee is required by any applicable law to make such deduction or withholding, the Licensee shall pay to the Licensor such additional amounts as will result in the receipt by the Licensor of a net amount equal to the full amount which would otherwise have been received by the Licensor had such deduction or withholding not been required.

10. INDEMNITY

Without prejudice to any other rights and remedies available to the Licensor at law, in equity, or under any other provisions in this Agreement or any other agreement between the Parties, the Licensee hereby agrees to indemnify the Licensor against and compensate the Licensor for any and all demands, claims, actions, losses, damages, liabilities, costs and expenses (including legal fees) suffered incurred or sustained by the Licensor directly or indirectly as a result of any breach by the Licensee of this Agreement.

11. DURATION AND TERMINATION

- 11.1 The license granted to the Licensee pursuant to Clause 2.1 shall commence on the date of this Agreement and shall continue until terminated by mutual agreement of the Parties or pursuant to this Agreement.
- 11.2 Either Party may terminate this Agreement by giving [6] months' prior written notice to the other Party.
- 11.3 Notwithstanding anything in this Agreement to the contrary, the license granted to the Licensee under Clause 2.1 shall terminate immediately without any further notice or formality in the event that:-
- (a) the Licensee does not perform or comply with any one or more of its obligations under this Agreement or any other agreement between the Parties and, where that default is capable of remedy, it is not remedied to the satisfaction of the Licensor within sixty (60) days after service by the Licensor to the Licensee of a notice in writing specifying such breach and requiring the same to be remedied within sixty (60) days after service of the said notice;
 - (b) a petition for the bankruptcy, dissolution or liquidation of the Licensee is filed or commenced against the Licensee or similar proceedings are taken against the Licensee; or the Licensee becomes insolvent or is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, or proposes or makes a general assignment or an arrangement or composition with or for the benefit of its

creditors; or a receiver or manager or other similar officer is appointed in respect of the whole or any part of the assets or property of the Licensee;

- (c) the Licensee fails to comply with Clause 8.3 of this Agreement; or
- (d) the Business ceases or is suspended for any reason whatsoever for more than [____] days.

11.4 Upon termination of the license granted to the Licensee under Clause 2.1 for any reason, the Licensee shall, without further notice or demand from the Licensor:

- (a) cease forthwith to use, in connection with the Business or otherwise, the Inventions;
- (b) not claim that any use by the Licensee of any of the Inventions has created in the Licensee any continuing right, title or interest of any nature in and to the Inventions.

11.5 Upon the termination of this Agreement for any reason, the Licensee shall not have a claim against the Licensor by reason of the termination of this Agreement or any right hereunder. The Licensee hereby expressly and irrevocably waives all compensation, claim for damages, payment for goodwill, severance payment, indemnity or any amount for any other cause by reason of such termination.

11.6 Notwithstanding anything to the contrary herein contained, any termination pursuant to this Clause 11 shall be without prejudice to any other rights or remedies, which a Party may have at law or in equity by reason of any breach by the other Party.

11.7 The provisions of this Clause 11 shall survive the termination of this Agreement for any reason.

12. NOTICE

Unless otherwise specified herein, all notices, demands, requests or other communications to or upon any of the Parties hereto shall be in writing in the Thai and English languages and shall be delivered by air courier (and deemed delivered two (2) days after despatch thereof) or by hand (and deemed delivered on receipt) or by facsimile transmission (and deemed delivered on transmission). All such notices, demands, requests or other communications shall be addressed to the following addresses and facsimile numbers (or such other address and facsimile numbers as any of the Parties hereto may designate from time to time by written notice to the other):

The Licensor : [Address]
Attention:
Fax No.:

The Licensee : [Address]
Attention:
Fax No.:

13 CONFIDENTIALITY

13.1 The Licensee agrees on behalf of itself and its employees, servants, agents, affiliates, subsidiaries, assigns and successors that the Licensee will maintain as secret and confidential all information received from the Licensor including all such information and documents relating to or in connection with the subject matter of this Agreement.

Upon the request of a Party, any or all employees of the other Party may be required to sign a confidentiality agreement in form and substance satisfactory to the requesting Party.

13.2 The duty of confidentiality to a Party under this Clause shall not apply to information which:

- (a) at the time of disclosure was in the public domain;
- (b) prior to such disclosure, becomes generally available to third parties by publication or otherwise through no fault or breach of the other Party;
- (c) is lawfully in the possession of the other Party prior to such disclosure and which was not acquired subject to a confidentiality obligation;
- (d) is required to be disclosed by reason of law or applicable regulatory requirements; or
- (e) needs to be disclosed to the other Party's officers, employees or professional advisors to the extent necessary to enable that Party to perform its obligations under this Agreement

13.3 Subject to the provisions of this Agreement, neither Party shall directly or indirectly, use, publish, disseminate or otherwise disclose any Information obtained in connection with this Agreement or the Business without the prior written consent of the other Party.

13.4 The provisions of this Clause 13 shall survive the termination of this Agreement for any reason.

14. FORCE MAJEURE

Notwithstanding anything contained in this Agreement, and apart from any obligation of the Licensee to pay monies to or indemnify the Licensor hereunder, no Party shall be liable for any failure or delay on its part to perform any of the terms, conditions, covenant or obligations of this Agreement to the extent that such failure or delay is the result of a cause beyond its reasonable control including, but without limiting the generality of the foregoing, such things as an act of God, a fire, an act of a public enemy, a flood, a quarantine restriction, an epidemic, a labour dispute, a riot, a civil commotion, vandalism or a malicious mischief and which occurs without the fault or negligence of the Party seeking relief (a "Force Majeure Event". Each Party shall bear its own losses arising from a Force Majeure Event. Should a Force

Majeure Event continue for more than three (3) months, the non-affected Party may terminate this Agreement.

15. REPRESENTATIONS & WARRANTIES

- 15.1 Each Party hereby represents and warrants to the other Party that it has all requisite legal power and authority and has obtained all necessary consents and approval to enter into and perform this Agreement and this Agreement constitutes legally valid and binding obligations of such Party enforceable in accordance with its terms.
- 15.2 The Licensor makes no representation or warranty to the Licensee that the use of the Inventions is not restricted by or does not infringe the rights of a third party. [Drafter's note: This clause could be interpreted as void under Thai law.]
- 15.3 The Licensor makes no representation or warranty to the Licensee that the Inventions are industrially or commercially feasible. [Drafter's note: This clause could be interpreted as void under Thai law.]

16. EXEMPTION FROM LIABILITY

- 16.1 The Licensor shall bear no liability whatsoever to the Licensee for any loss, damage, or expenses (including legal fees; collectively in this Clause 15, "Damage Etc.") incurred by the Licensee or a third party due to or in connection with the use of the Inventions. If any Damage Etc. arises, the Licensee shall bear all such Damage Etc. and shall indemnify the Licensor against, and compensate the Licensor for, any and all Damage Etc. incurred by the Licensor.
- 16.2 The Licensee shall be liable to respond at its own expense and responsibility to any action or other legal proceedings filed or commenced against the Licensee by a third party in relation to Damage Etc. incurred due to or in connection with the Licensee's use of the Inventions. If such third party files or commences an action or other legal proceedings against the Licensor, the Licensee shall cooperate fully with the Licensor and bear all liability for Damage Etc. incurred by the Licensor.

17. GENERAL PROVISIONS

17.1 Counterparts

This Agreement may be executed and delivered in a number of counterparts each of which shall when executed and delivered constitute an original but all counterparts together constitute one and the same instrument.

17.2 Entire Agreement

This Agreement constitutes the full and complete understanding between the Parties with respect to the subject matter of this Agreement, and neither the correspondence nor any other documents exchanged prior to or in connection with the signing of this Agreement with respect to the subject matter of this Agreement, nor any statements, warranties, representations, or agreements whether oral or written, made with respect to the subject matter of this Agreement, during

negotiations or otherwise, shall be binding on any Party unless expressly incorporated or referred to in this Agreement.

17.3 Amendments

This Agreement may not be amended orally and may only be amended, altered, supplemented or changed by a written instrument signed by the Parties.

17.4 Severability

If any provision of this Agreement is deemed invalid, unlawful or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired. The Parties shall use their best endeavours to replace the invalid, unlawful or unenforceable provision by a valid, lawful and enforceable one, which will best meet the purpose and intent of the replaced provision.

17.5 Costs

Each Party shall pay its own costs in negotiating, finalizing, signing and implementing this Agreement.

18. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Thai.

19. DISPUTE RESOLUTION

Any dispute arising from this Agreement which cannot be settled amicably between the contracting parties shall be submitted to the International Court of Arbitration of the International Chamber of Commerce and shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The language of arbitration shall be English. The place of arbitration shall be <city name>.

20. LANGUAGE

This Agreement is prepared in the Japanese and in the English languages. If there is any discrepancy between the two versions, the Japanese language shall prevail.

IN WITNESS WHEREOF each of the Parties has executed this Agreement on the day and year first above written.

LICENSOR:

Signed by _____)
for and on behalf of)
[company])
in the presence of: -)

LICENSEE:

SIGNED by _____)
for and on behalf of)
[PT Y])
in the presence of:-)

SCHEDULE 1
THE INVENTIONS

SCHEDULE 2
THE TRAINING