

SAMPLE LICENSE AGREEMENT - Simple Form

This is a License Agreement of intellectual property between:

The Toy Company Ltd, an USA Corporation doing business as The Toy Company Ltd, Their Address here, hereafter referred to as (the "COMPANY");

And

[Inventor],
(the "LICENSOR")

Grant:

The LICENSOR hereby grants to the COMPANY the exclusive license for the invented product described in Schedule A (the "Licensed Item") and to use the know how to: manufacture, sell, market and distribute the Licensed Item. For consideration of the grant, COMPANY shall pay royalties of 5% of the sales price of the item. Conditions for renewal are timely payment of royalties in excess of \$ 1.00 per quarter.

Payment of Royalties:

Company will pay royalties within 31 days of the end of each quarter covering goods / each Licensed Item shipped during the quarter. Accompanying each royalty payment will be a list of accounts, which purchased the Licensed Item during that quarter and the amount of each sale. In the event of late payment, the COMPANY will pay interest on such delinquent amount at the rate per annum equal to 20%. Royalties will not be due for accounts, which have filed for bankruptcy or are insolvent or have not paid outstanding invoices for over 120 days and adjustments for these amounts may be made on subsequent royalty payments.

Termination:

In the event that COMPANY does not ship this item before Dec 31, 2009, all rights conveyed from this license to COMPANY are null and void and all rights revert back to OWNER. If the COMPANY should discontinue the manufacturing of the Licensed Item, or should the COMPANY terminate its business or enter into liquidation, then all rights to said Licensed Item shall revert back to the OWNER forthwith.

Warranties:

The Company represents and warrants to the Licensor that: (i) this Agreement constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms and (ii) products based upon the Licensed Item will be of good quality in design material and workmanship and will be manufactured, sold and distributed in accordance with applicable laws and regulations.

The Inventor/Licensor warrants that the subject of the license is original work and is wholly owned concept by the inventor and indemnifies licensee against claims from competing claims of ownership to the intellectual property, which is the subject of this license.

Indemnity:

The Company shall indemnify and hold the Licensor, Inventor and Owner harmless from any claim, action, proceeding or judgment and all costs associated with same.

The parties hereto have executed this Agreement on, 200__.

The COMPANY The LICENSOR

The Toy Company Ltd

The OWNER The INVENTOR

SCHEDULE A

1. Description of the Licensed Item(s): See description on attached Schedule A-1. Annexed hereto drawings and descriptions and other information and exhibits labeled Schedule A-1, which are all incorporated by this reference into this description of the Licensed Item(s).
2. Territory: Worldwide
3. Term: Five (5) years with option to renew from date of first shipment.
4. Royalty and Payments payable by the COMPANY to the LICENSOR and INVENTOR:
License grant shall be based on the number of units sold of the Licensed Item. The Royalty payment shall be five percent.

Schedule A-1

PRODUCT NAME: Toy

PRODUCT DESCRIPTION:

The invention, product and Licensed item is:

TOY is an indoor/outdoor _____ game