KTI Practical Guide

Software Licence Agreements

Foreword

The KTI Practical Guides have been produced as a resource for those approaching transactions between Irish research performing organisations (RPOs)[1] and commercial companies. Each Practical Guide explains common terms in the agreements and describes the considerations that might apply.

The KTI Model Agreements contained in each Practical Guide take account of the legal constraints upon RPOs when entering into contracts, as well as the unique nature of RPOs, whose primary purpose is not-for-profit rather than commercial. At the same time, the terms of the agreements seek to address the typical commercial priorities of companies, e.g. to have access to intellectual property rights. The Guides are based on European best practice.

The Practical Guides are offered as a starting point for drafting and discussion, as required. Neither companies nor RPOs are mandated to use the Model Agreements.

The KTI Practical Guides and Model Agreements are available on the KTI website to download and use direct. www.knowledgetransferireland.com

Disclaimer
Parties should take their own legal advice on the suitability of any model agreement for their individual circumstances and on associated legal and commercial issues. Neither Knowledge Transfer Ireland, Enterprise Ireland nor any of the individuals or organisations who have produced or commented on these documents assumes any legal responsibility or liability to any user of any of these model agreements or commentaries.

The KTI Practical Guides and Model Agreements were prepared by Anderson Law LLP (Oxford, UK; www.andlaw.eu) with advice on certain Irish law issues from LK Shields Solicitors (Dublin, Ireland; www.lkshields.ie).

---

[1] RPOs are considered to be Higher Education Institutes (Universities and Institutes of Technology) or State research organisations

Contents

Introduction to Software Licence Agreements

The term 'software licence agreement' covers a wide range of documents and deal structures. In the case of commercial software licensing, at one end of the spectrum is the end-user licence granted by a consumer products company such as Microsoft, setting out the terms on which a software product such as Microsoft Word may be used. At the other end of the spectrum is an agreement to develop bespoke software, e.g. if a company such as IBM agrees to develop software to manage patient records in a national hospital network.

Academic software licensing also comes in different 'flavours'. Sometimes, the software is a research tool, which would require extensive development to turn it into a robust, user-friendly commercial product. Other times, what is mainly being provided is a research service or technical consultancy, and the software is used to support the research or consultancy. The software may be licensed to a company that will use it internally to generate a commercial product, or to a company that will distribute the software to others. Sometimes, academic software licensing gets close to commercial software licensing, but this has its dangers, including financial risk and the possibility that the RPO is engaged in trading rather than research and teaching, which may not be permitted under its constitution or charity laws or which may give rise to state aid concerns.

Thus, there is no single model for software licensing, and therefore no single template agreement that will cover all of these situations. The accompanying suite of Model Software Licence Agreements is suitable for some of the main types of academic software licensing, but as with all templates, will need careful scrutiny to make sure the terms are suitable for the individual transaction – as to which, please see the section below under the heading "Important points to note about the Model Software Licence Agreements".

It is worth mentioning at this point that commercial software licence agreements, although they come in different 'flavours', tend to have terms in them that are often not suitable for use in an academic environment, e.g. in the areas of intellectual property warranties, liability and the scope of grant. This is discussed further below and in the comments to the accompanying template agreements.

One way of thinking about this subject is to view commercial software supply as similar to a sale of goods, while academic software licensing tends to be more like other types of technology licensing, e.g. of patents and know-how.

In the authors' view, the consideration of a software licence agreement as akin to a sale of goods only holds true when the software in question is at the fully developed product stage. Typically, when an RPO licenses software, it will not be offering the same type of product as a commercial company. Usually, in an RPO setting, the software is not fully developed as a commercial product and the RPO would not be offering a support and maintenance service.

Accordingly, for the purposes of this Practical Guide, a software licence agreement will be considered as a type of intellectual property licence agreement. Many of the clauses of the Model Agreements that accompany this Practical Guide, and many of the issues encountered when negotiating software licence agreements, will therefore be familiar to readers who are used to working with other types of technology licence agreements, such as patent and know-how licence agreements.

Some issues specific to software licence agreements are explored in this Practical Guide, together with general issues that are relevant to all types of intellectual property licence agreements.

What intellectual property might protect software?
The most likely form of intellectual property to protect a piece of software is copyright, which can subsist in the source code (i.e. the lines of code written by the computer programmer). Potentially, there may also be some other types of intellectual property that protect the software, such as know-how (e.g. in the form of algorithms that underlie the code). It is also possible that a patent may also protect a piece of software as well. A discussion of intellectual property rights is outside the scope of this Practical Guide, but for further information the reader could consult information on e.g. the Irish patent office website available at the following address: http://www.patentsoffice.ie/.

What is an intellectual property licence agreement?

At its simplest, an intellectual property licence agreement is a contract under which an owner of intellectual property (the licensor) permits another person (the licensee) to engage in activities that, in the absence of the licence agreement, would infringe the licensor's legal rights attaching to the intellectual property. There is no 'official' definition of intellectual property (IP), and for this reason it is often defined specifically in licence agreements. There are many different types of IP. Depending on the subject matter of the licence agreement, IP may be defined as including patents, copyright, database rights, design rights, registered designs, trade marks, domain names and similar property rights.

Under a typical licence agreement where an Irish Higher Education Institute or State research organisation (together, "Research Performing Organisation" or "RPO") is the licensor, the RPO grants a commercial licensee a licence to use the IP, sometimes in relation to the making and selling of specific products and services and usually in a specific Field and Territory. In this example, the terms 'IP', 'Field' and 'Territory', and any terms such as 'Licensed Products' and 'Licensed Services', would be defined in the licence agreement.

The RPO may grant either an exclusive licence or a non-exclusive licence of the IP. In an exclusive licence, only the licensee is licensed to use the IP e.g. to make and sell Licensed Products in the Field and in the Territory. In contrast, a non-exclusive licence of the IP to e.g. make and sell Licensed Products in the Field and in the Territory can be granted to an unlimited number of licensees. The decision to grant an exclusive or non-exclusive licence will be based on a number of factors, including the value of the IP and the amount of investment required by the licensee to e.g. make and sell Licensed Products.

In return for the grant of the licence, the licensee would typically make payments to the RPO in respect of its use of the IP, which may include for example lump sums (e.g. in the form of annual or milestone payments) and royalty payments. Royalty payments are usually, but not always, calculated as a percentage of the licensee's income from the sale of Licensed Products.

Although many IP licence agreements have complex provisions, these two elements – the grant of a licence under the IP and payments based on use of the IP – are the core components.

Why does the RPO need a licence agreement?

By entering into a technology licence agreement, the RPO may be seeking to achieve a number of objectives (not all of which will be relevant in all cases). These objectives may include:

- to encourage the use of that technology for the benefit of society, the theory being that, sometimes, securing IP rights for the development and finding licensee(s) to exploit it, is more likely to lead to the development being available to consumers than simply publishing the development and making it freely available;
- to control the way in which a licensee uses the technology, i.e. by including suitable contract terms in the licence agreement; and
- to generate income from the technology.

Why is licensing the best route to achieve these objectives?

The RPO will wish to consider, on a case-by-case basis, whether licensing technology is the best route to achieve the objectives mentioned above. In many cases, particularly if income generation is a significant objective, the main alternatives will be licensing the IP to a commercial licensee or a spin-out company.

The remainder of this Practical Guide assumes that a decision has been taken by an RPO to license certain IP to a commercial licensee, though the principles covered will be relevant to any route adopted for commercialising the IP.

Can the RPO comply with its obligations under a licence agreement?

There are two issues:

- Is the RPO able to grant a licence under its IP; and

- Can the RPO comply with other obligations that may form part of the licence agreement, e.g. warranties, confidentiality obligations, etc.

Where the RPO owns a package of IP outright, and has not previously granted any conflicting rights (for instance an exclusive licence) or entered into any conflicting commitments, it should be able to grant a licence under that IP without difficulty. In this situation, the IP is 'clean' or, to use a legal expression, 'unencumbered'. In practice, however, the RPO's IP may be encumbered. For example:

- *Grant conditions.* The IP may have been generated from research that was funded by a charitable or governmental organisation, or the European Commission. The conditions of the grant may include provisions concerning ownership of any IP that results from the research, who is licensed under it (e.g. other members of a consortium), or requiring the funder's consent before any licence is granted under such IP.
- *Commercial terms.* The IP may have been generated under a research agreement with a commercial sponsor. The terms of that agreement may vest ownership of any resulting IP in, or grant a licence or option of such IP to, the sponsor.
- *Third party rights.* Part of the IP may have been acquired from a third party. For example, if the IP relates to software, the software may incorporate routines obtained from a third party, e.g. freeware.
- *Joint developments.* The IP may have been generated in collaboration between two RPOs, and the other RPO may own an interest in that IP. In such situations the other RPO may need to give consent to, or become a party to, the licence agreement.
- *Visiting staff and students.* The IP may have been generated by an academic who was not an employee of the RPO (e.g. a student or visiting fellow) or by an employee in circumstances where it is not clear whether the RPO owns IP generated by him or her. In practice, the RPO may be able to deal with this issue by entering into individual assignments and/or revenue sharing agreements with each of the relevant academics before granting any licence under the IP.
- *Dominating IP.* To make use of the IP it may be necessary to make use of some third party IP, e.g. a dominating third party patent or some open source software. Although this would not, strictly speaking, prevent the IP owner from licensing the IP, it may amount to a breach of an express (explicit) or implicit warranty or other clause of the licence.

Even if the RPO is entitled to license the IP, it may still find itself unable to comply with some of the terms of the licence agreement. It is worth mentioning a couple of areas of potential difficulty:

- *Limited control.* The licence agreement may assume that the RPO is able to control the activities of its employees, in a similar way to a commercial company. In reality, academics tend to be fairly independent individuals, whose relationship with the central parts of the RPO, including the technology transfer group, may be 'semi-detached' at best. This should be borne in mind when the licensee asks the RPO to give warranties or comply with obligations (e.g. in relation to confidentiality and publications) that, in practice, depend on the cooperation of an academic. Depending on the obligation, it may be that the most the RPO can sensibly promise to do is to take reasonable efforts to comply, or instruct the academic to comply, with the obligation.
- *Limited appetite for risk.* The licence agreement may ask the RPO to bear risks that may be thought inappropriate for a charitable or educational body that spends public money. For example, the RPO may be asked to give warranties or indemnities in relation to the condition of the licensed IP that it would be well advised to reject.

Software developed at RPOs
When a commercial entity develops software, often it will have a policy in place to ensure that the way in which the software is developed is well documented (e.g. including keeping records about who wrote which lines of code and when). In addition, the commercial entity will often have a policy in place about the use of third party software (e.g. open source software). These policies will be designed to ensure that, once a finished software product has been developed, the commercial entity can be certain about any encumbrances that may apply to the software and therefore under what terms it can licence the software onto end users and others.

It is rare that these policies exist at RPOs, possibly because the primary objective of the academic when developing the software is rarely the potential commercial exploitation of it. The priority for the academic at an RPO is usually to develop a piece of software that achieves the desired result in the most efficient way. Accordingly, software developed in an RPO setting will often have been contributed to by several people (e.g. academics and students, some of whom may have long left the RPO) and will often have used third party code (such as open source software) in its development.

Therefore, it may be appropriate for the RPO to conduct some internal due diligence to verify whether the RPO owns all the IP that it is proposing to licence and to obtain written assignments from employees, students, visiting academics and others who have contributed to the software. At the same time as obtaining the assignment, the RPO may also seek confirmation that the contributors to the software have not knowingly used any third party IP (e.g. open source software) in the development of the software. In any event, the technology transfer manager tasked with licensing this type of software needs to be alert to the risks for the RPO so that they can be managed appropriately on a case-by-case basis.

A note about open source software
Open source software is software that can be freely used, changed and shared by anyone and that is made available under a licence that complies with the Open Source Definition (see here: www.opensource.org/osd).

There are many different open source licences. In short, these licences all comply with the requirements of the above paragraph, but do so in many different ways – i.e. not every open source licence is the same and some can have fairly far-reaching consequences. To give just a couple of examples of these consequences:

- All open source licence terms must allow modifications and derived works to be created from the original open source software and some also require these modifications and derived works to be made available under the same (open source) licence terms as the original software. One consequence of this would be that the source code of these modifications and derived works would have to be made available under the open source licence terms as well.
- Under certain open source licence terms (e.g. Apache 2.0), if the derived work falls within any patent held by the licensee of the open source software, the licensee would be required to additionally grant all users of the derived work a licence under the patent.

Therefore, if an RPO wishes to licence software that incorporates or is based on open source software, a copy of the relevant open source software licence terms will need to be obtained in the first instance so that the impact of this on the licensing strategy can be determined.

For further information about open source software, the reader is referred to the Open Source Initiate website at www.opensource.org.

Who should draft the licence agreement?
Practice varies. The RPO should, wherever possible, use its own form of licence agreements which reflect its policies on issues such as liability, licensee diligence, etc. But some large licensees push quite hard to use their standard forms of agreement. In some industries, the licensee may have developed a very specific model for licensing that reflects its view on which products, services, etc are likely to be offered using the IP, and the appropriate payment structure. Sometimes these models are rather complicated. If the RPO negotiates using a licensee's preferred form of licence agreement, this may involve additional legal work and expense for the RPO. For speed it is recommended that the appropriate Model Licence Agreement is used as a starting point for all licence negotiations.

Format of the licence agreements
Where the licence includes the provision of software, an important first question is which of the Model Agreements should be used as a starting point. The following comments may be of assistance.

- Model Exclusive Software Licence Agreement - The Model Exclusive Software Licence Agreement is based upon the Model Exclusive Licence Agreement. Although many of the provisions of the two agreements are identical, the Model Exclusive Software Licence

Agreement includes provisions that are specific to software licensing, particularly the clauses that describe the rights being granted, the obligations to supply a copy of the software, and the restrictions regarding the use of the software.

It will be noted that, in some respects, the Model Exclusive Software Licence Agreement looks more like a patent licence agreement than a typical (commercial) software licence agreement as used by commercial software companies. This is deliberate, as in the authors' experience, when RPOs license software they tend not to be offering the same type of product as a commercial software company would. As mentioned above, usually, the software offered by an RPO is not fully developed as a commercial product and the RPO is not offering a support and maintenance service. Moreover, the RPO may wish to make use of the software in other research projects, develop it further or for different applications, etc. The Model Exclusive Software Licence Agreement includes some optional provisions clarifying that the RPO has certain rights to use the software for certain other purposes.

- Model End User Software Licence Agreements – Sometimes where software is licensed, the licensee is an end user of the software rather than a developer or someone who is seeking to sell or licence it to others. The Model End User Software Licence Agreement is a set of end user licence terms. If appropriate, the Model End User Software Licence Agreement can be inserted into the relevant schedule of the Model Exclusive Software Licence Agreement, i.e. as under the Model Exclusive Software Licence Agreement, the licensee is required to ensure that its customers agree to be bound by the terms of an end user licence agreement to be attached as a schedule to the Model Exclusive Software Licence Agreement.

  The Model End User Software Licence Agreement may sometimes be thought too detailed to be included in the schedule to the Model Exclusive Software Licence Agreement and may be cut down as appropriate, or sometimes exclusive licensees will want to use their own form of end user software licence agreement and insert this into the schedule instead. In such circumstances, one of the key things to check is that the relevant restrictions in the Model Exclusive Software Licence Agreement are flowed through into the end user software licence agreement – e.g. the restrictions in clause 3 of the Model Exclusive Software Licence Agreement in particular.

  The Model End User Software Licence Agreement has been included in this suite of templates in two forms. Firstly, it has been included as a conventional, standalone agreement which assumes that the parties will complete the missing details and sign. Secondly, it has been included in a form which assumes that the End User will download the software from a website and accept the terms by clicking on an "I accept" button.

  Care must be taken when End User Software Licence Agreements are web-hosted and associated with downloadable software on a website. These may not require a signature block and the licensor must ensure that the user explicitly agrees to the terms, e.g. by clicking on an "I accept" button, prior to download. Legal advice should be sought as to the best way to ensure that the relevant terms (including any flow-through from an Exclusive Software Licence) have been effectively incorporated into the contract in particular circumstances.

- Model Non-Exclusive Software Licence Agreement – The Model Non-Exclusive Software Licence Agreement has been included in the suite in two forms. Firstly, it has been included in a form that anticipates that royalties will be payable, and secondly it has also been included in form that does not anticipate that any royalty based payments will be made. Both forms of the template allow commercial use of the software in a particular Field and Territory. For consistency between the Model Agreements, both non-exclusive software licence agreement templates are cut down versions of the exclusive licence agreement template. In some cases, however, the non-exclusive templates may be thought still too detailed and cut down further.

Sometimes, software licences form part of a larger transaction involving other contractual documents, e.g.:

- Where the licence is granted pursuant to an earlier option.

- Where licence terms are included in a research agreement.
- Where the licensee, as well as taking a licence, also enters into a (separate) research agreement under which it agrees to fund research work in the academic's laboratory.
- Where the licence is granted as part of a spin-out transaction, in which the RPO receives shares in the licensee.

Some RPO licence agreements are concerned with licensing a package of technology which may include software and other types of IP (e.g. patents and know-how). If this is the case, and assuming the deal is to be done on an exclusive basis, the reader could consider using the Model Exclusive Licence Agreement as the starting point document and adding in provisions from the Model Exclusive Software Licence Agreement to deal with any specific software licence issues as appropriate. The added provisions may include the clauses dealing with the supply of the software and the restrictions on use of the software. Sometimes the arrangements relating to the package of technology to be licensed can be dealt with in a single agreement, e.g. where there are different types of IP protecting the same product. However, on other occasions, the transaction may be considered to be a set of discrete elements and the agreements drafted as such.

Important points to note about the Model Software Licence Agreements
The reader faced with drafting a software licence agreement must always keep in mind that a template can only ever be a starting point. The specific circumstances of the particular arrangement must always be considered and the template tailored as appropriate. For example, a number of fact specific, complex issues may be raised when drafting a software licence agreement, which by their nature cannot be dealt with in a template. Examples of these issues include the following:

- The Model Software Licence Agreements have not been drafted to take account of the individual requirements of Irish RPOs which might apply. Readers are advised to seek out and address, by additional provisions, any peculiarities or requirements of a relevant institution.

- The Model Software Licence Agreements have not been drafted with regard to any tax law, treatment or policy. It may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing the agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

- The Model Software Licence Agreements have not been drafted to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language, and to contain other features imposed by consumer-specific laws which are beyond the scope of this Practical Guide.

- In addition, the reader should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the software licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the reader should seek specialist advice when required.

Key terms of a typical licence agreement
Although the detailed terms of licence agreements vary, they often include terms covering the following points:

- *Definitions.* Detailed definitions of the subject matter of the licence agreement and key terms used in the licence agreement, including such items as Licensed IP, Territory, Field, Licensed Product, Licensed Services, Net Sales Value, etc.
- *Licence terms.* A 'grant' clause which describes the scope of the licence being granted, whether the licence is exclusive or non-exclusive, whether the licensee is permitted to grant sub-licences and, if so, any conditions for sub-licensing, etc.
- *Confidentiality and publications.* Where source code is being licensed, provisions governing confidentiality and publications.
- *Assistance from the RPO.* Whether the RPO has any continuing obligations to provide information, support, upgrades, etc.

- *Payment terms*. Detailed payment terms, which may include for example terms covering lump sum payments (e.g. annual or milestone payments), royalties, frequency and time of payments, reports, record-keeping, audit rights, tax issues, etc.
- *Licensee performance*. Obligations on the licensee, particularly in exclusive licence agreements, to develop and commercialise the IP, with provisions stating what is to happen if the licensee fails to comply with these obligations.
- *Liability*. Warranty, liability and indemnity clauses.
- *Term and termination*. Duration, termination and consequences of termination.

What are the common areas of negotiation?

- Which IP is to be licensed?
- In which fields and territories?
- Is the licence exclusive or non-exclusive?
- The amount of any lump sums and when they are to be paid, e.g. as milestone payments?
- Royalty rates?

Licence agreements often have specially-negotiated terms that tend to include the following:

- *Definitions and scope of licence*. The technical definitions – e.g. the Licensed IP, Licensed Products, Licensed Services, Field, etc. – which are crucial to the scope of the licence. Sometimes, input from academic colleagues and other technical specialists is needed when carefully drafting and negotiating these definitions.
- *Improvements*. Whether any improvements or upgrades must be licensed and, if so, on what terms. The RPO will generally not give these kinds of commitments.
- *Sub-licensing*. Whether sub-licensing is permitted and, if so, on what conditions.
- *Support.* The extent of any obligations to provide information, support, etc. This is related to a previous point, but could include (e.g.) providing initial assistance in making the software work, or assistance with "bug-fixing", etc. Any such obligation should usually be clearly limited in time and extent.
- *Financial terms*. The detailed financial terms, including whether royalties are payable and, if so, the definitions of Net Sales Value (and, where used, Net Receipts) and whether the licensee can deduct payments made to third parties from royalty payments (so-called 'royalty-stacking'). If royalty based payments are not to be made, alternative payments may include annual licence fees and milestone payments.
- *Diligence*. The extent of any obligations on the licensee to exploit the IP, and the consequences of failure to meet those obligations. From the RPO's point of view this can be a very important issue, but some licensees are reluctant to offer much by way of commitment. A possible compromise approach, involving referral of any dispute over performance to an expert, is set out in the [Model Exclusive Software Licence Agreement](#).
- *Warranties*. The extent of any warranties to be given by the RPO as to the condition of the IP – e.g. does any third party own any rights in the IP, etc.?
- *Indemnities*. Whether either party should give any indemnities, e.g. should the licensee indemnify the RPO against product liability claims, and should the RPO indemnify the licensee against third party claims arising out of a breach of warranty?
- *Consequences of termination*. The consequences of termination and, in particular, whether the RPO has any option to acquire rights to any developments made by the licensee in relation to the IP during the term of the licence?

Competition law issues
Many licence agreements, particularly exclusive licence agreements, are within the scope of national and European competition laws. The main area of potential concern is Article 101(1) of the Treaty on the Functioning of the European Union (TFEU) and Section 4(1) of the Competition Act 2002 (as amended).

Various provisions in IP licence agreements may fall foul of Article 101(1). In general, the competition authorities are conscious that IP rights can assist the creation of monopolies and reduce competition. Potentially anti-competitive provisions include the following (non-comprehensive) selection:

- The grant of exclusive rights.
- Territorial restrictions (including restrictions on sales from one EU country to another).
- Customer restrictions.
- Sales limits.
- Non-compete provisions (e.g. preventing the licensee from selling competing products).
- Price-fixing (e.g. dictating the price at which the licensee sells licensed products).
- Tying clauses (making the licensee buy other goods from the licensor).
- Exclusive grant-back clauses (making the licensee assign rights to improvements).
- Restricting the licensee's right to challenge the validity of the licensor's IP.
- Certain settlement agreements which involve a value transfer or restriction not based on the value of the technology (sometimes referred to as "pay for delay" or "reverse payment patent settlement" agreements).

Determining whether a licence agreement complies with competition law is a subject where specialist competition law advice may be required. Issues that may need to be considered include:

- Is there a Community dimension to the agreement (most licence agreements are likely to have a Community dimension).
- Does the Notice on Agreements of Minor Importance[2] apply?
- What are the relevant market shares of the licensor, the licensee and any licensed products?
- Does the agreement present a *prima facie* risk of breach of Article 101(1)? In this context, the detailed commentary set out in the European Commissions' Guidelines on Technology Transfer Block Exemption Regulation (TTBER) or the European Commissions' Guidelines on Vertical Restraints may provide assistance[3].
- If the licence agreement is potentially in breach of Article 101(1), are there valid objective justifications for its terms?
- If the licence agreement is potentially in breach of Article 101(1), do the terms fall within any provision of the TTBER or the vertical agreements block exemption, or where the agreement has a significant research and development component, the block exemption regulation for R&D agreements?

When deciding whether a block exemption is available, it is necessary to consider carefully the detailed terms of both the relevant block exemption (and any guidelines issued by the European Commission) and the agreement in question.

The consequences of breaching Article 101(1) include the parties being fined up to 10% of their worldwide group turnover and possible liability to third parties that have suffered loss from the anti-competitive activities.

The European Commission makes available its legislation relating to Article 101(1) at the following website: http://ec.europa.eu/competition/antitrust/legislation/legislation.html
In international licence agreements, there may also be competition laws in the country of the licensee that need to be considered, particularly on larger-scale transactions.

Tax issues
Where substantial payments are anticipated under a licence agreement, it may be possible to structure the deal in a more tax-efficient way. Taxation of IP payments is a niche area of tax law and it may be necessary to consult with specialists in this area. Some of the tax issues include the following:

- What is the correct tax treatment of any payments made to academic inventors under the RPO's revenue sharing policies?
- What is the correct tax treatment of any payments made by a licensee to the RPO?

---

[2] Communication from the Commission entitled "Notice on agreements of minor importance which do not appreciably restrict competition under Article 101(1) of the Treaty on the Functioning of the European Union (De Minimis Notice)", reference 2014/C 291/01.

[3] The reader should note that revised rules and guidance came into force on 30 April 2014.

- Should any tax minimisation measures be implemented, e.g. involving use of offshore companies?
- Do the terms of the agreement prejudice the charitable and tax-exempt status of the RPO, e.g. if the academic is prevented from publishing the results of academic research?

Implied terms in licence agreements

Whether any terms will be implied into a licence agreement depends on the governing law of the agreement. The approach taken by some courts, such as the Irish courts, is that they are usually very reluctant to imply terms into commercial agreements except for those acknowledged on a statutory basis such as pursuant to the Sale of Goods and Supply of Services Act, 1980. However, in the context of software licence agreements, the reader should note that terms may be implied into the licence agreement as a result of the Software Directive – e.g. see Article 5 of that Directive here: http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:111:0016:0022:EN:PDF

Courts in other countries take a very different approach. For example, it is understood that under French and Belgian law, it may be implied in a patent licence agreement that the licensor will provide any know-how and improvements that may assist the licensee to exploit the licensed patents. For further information, please see *Anderson: Technology Transfer Agreements – Law, Practice and Precedents*, chapter 10 (third edition, Bloomsbury Professional Publishing, 2010).

It is therefore important that the RPO gives serious consideration to the choice of governing law of the licence agreement, which country's courts are to have jurisdiction over the licence agreement and whether such jurisdiction is to be exclusive or non-excusive. It is expected that agreements entered into with Irish RPO will be governed by Irish law and subject to the exclusive jurisdiction of the courts of the Republic of Ireland.

Checklist of preliminary issues and provisions commonly found in software licence agreements

Preliminary	
Parties	• Have the correct legal names and addresses been included? • Should the academics sign – as a party or to state they have "read and understood"? • Does the licence agreement refer to group companies being a party? Are the references appropriate? Does the signatory have authority to sign on behalf of group companies?
Authorised signatory	• Who is the authorised signatory for the RPO and what is the process for getting the licence agreement signed? • Who is the authorised signatory for the licensee and what is their process for getting the agreement signed?
Licensed IP, Licensed Products, Licensed Services, Field	• Have these definitions been carefully thought through and discussed with the academic and other technical colleagues? • A list of the works, including any modules and stating any version numbers and dates of creation should be included. • Ideally there should also be a statement of where one can find the definitive versions that are being licensed so as to avoid the kind of ambiguity and dispute that might arise if software is simply referred to be a name. • Have the different ways of exploiting the software (by itself, as part of a package, incorporated into devices, used in the provision of a service, etc.) been addressed and are there suitable financial provisions covering each potential type of exploitation?
Definitions	
Net Sales Value, Net Receipts	• If royalty based payments are to be made, do the definitions protect the RPO's interests fully?
Obligations	
Grant of licence	• Is the grant clause tightly drafted in terms of IP, products, services, licensed acts (manufacture, sale, etc.)? • Is the licence stated to be exclusive or non-exclusive? • Is sub-licensing permitted? Have any conditions for sub-licensing been stated? Do sub-licences survive termination of the head licence? • Does the agreement anticipate that an end user software licence agreement will be appended to a schedule and, if so, has it been attached? • Has the RPO reserved a right to use the IP for research, publication and teaching? • Has due diligence been done to check that such a licence does not interfere with other commercialisation plans for the IP? • Does the licence include improvements and if so, has specialist advice been sought? • If needed, are there appropriate confidentiality and publications clauses?
Assistance from licensor	• Are there obligations on the licensor to provide support and maintenance services, etc.? Have these obligations been tightly defined in relation to scope, time commitment, liability, etc.? • Is source code being provided? If so, are the licensee's rights to use that source code clearly stated? If only object code is being provided,

	should the source code be deposited with an escrow agent and made available to the licensee under the terms of an escrow agreement?
Payments	• Are any lump sums payable? Is it clear when these are to be paid, and whether they are offset against royalties? • Are any royalties payable? If so, are the royalties based on a Net Sales Value or Net Receipts definition? Is a minimum royalty payable?
Payment terms	• Does the licence agreement include clear provisions concerning frequency and dates of payments, reporting, record keeping, auditing, withholding tax, etc.?
Performance by licensee	• Are there objective measures of performance that can be included (e.g. minimum sales, reaching certain stages of development by particular dates, etc.)? • Is a general "best efforts" style performance obligation appropriate? • Are the consequences of failing to achieve the required standards/measures clearly stated?
IP protection	• Does the licence agreement include appropriate terms governing responsibility for protecting the IP, dealing with infringers, defending claims from third parties, etc.? • Who bears the costs of litigation and who keeps any damages etc. awarded?
Warranties	• What enquiries have been conducted to ensure the warranties given by the RPO are acceptable? • If knowledge-based warranties are included, are they "as far as [*insert named individual*] is aware, but without having conducted searches and investigations" or are they at the higher level of "to the best of knowledge"? • Should the RPO be giving these warranties?
Liability and indemnities	• Are there any liability and indemnity clauses (if not, liability is unlimited)? • Are these clauses acceptable? Has advice been taken on them? • Do they need to be referred to the RPO's lawyers and/or insurers?
Duration, termination, consequences	• Is there a clear commencement and expiry date? • Can the licence agreement be terminated for breach or insolvency? • Are the consequences of termination clearly stated, including rights to acquire improvements?
Miscellaneous	
Law and jurisdiction	• Has the law governing the licence agreement been stated? • Has jurisdiction also been specified (i.e. which party's courts would hear any dispute)? • Is it appropriate to specify exclusive or nonexclusive jurisdiction?

'Boilerplate' provisions	• Should any other provisions be included? For example:
	    o Entire Agreement;
	    o Force Majeure;
	    o Use of institution's name and logo;
	    o Notices (e.g. should they go to a specific office of the RPO rather than to the RPO's general mailing address).

Schedules	• Is a schedule appropriate for a description of the software?

	• What happens if new versions of the software are developed? • Have the contents been agreed / checked with the academic? • Are they attached?

Summary of best practice

- *Policy*. In contracting, RPOs should be expected to have in place an institutional policy for licence agreements, covering such matters as:

  o Procedures to be followed to ensure that the RPO protects its IP, including procedures governing confidential disclosure of information, etc.).
  o The circumstances in which the RPO might enter into software licence agreements for (a) incoming and (b) outgoing IP, respectively, and when exclusive licences should be agreed and whether sub-licensing is to be allowed.
  o Procedures to be followed to ensure that the RPO complies with the terms of its licence agreements, including confidentiality obligations, warranties, diligence obligations, reporting, IP protection obligations, etc.
  o Procedures to be followed to ensure that the other party complies with its obligations under the licence agreement, including regular audits of a licensee's performance and whether the correct amount of royalties has been paid.
  o Who has authority to sign the licence agreement for the RPO institution?
  o Whether individual academics should also sign and/or approve the terms of licence agreements.

- *Templates*. Model Agreements are provided that will assist in the negotiations. See the **Model Exclusive Software Licence Agreement,** the two **Model End User Software Licence Agreements,** and the two **Model Non Exclusive Software Licence Agreements**.

- *Key Terms*. Beware of such issues as:

  o Law and jurisdiction - does the RPO's insurance policies cover agreements governed by foreign laws and jurisdictions?
  o Which warranties, liabilities and indemnities can be accepted, or should be required, in licence agreements?
  o The scope of any licences granted, in particular, are they limited to specific IP generated by specific academics?
  o Which party is responsible for protecting the IP, including expenditure and control over decisions regarding such protection?
  o Whether licences to 'improvements' or 'pipelines' should be included in the licence agreement?

- *Monitoring*. The RPO will implement procedures to monitor the licensee's performance, including regular audits, ensuring licensee provides reports and payments on time, etc.

When to involve the lawyers

Licence agreements will usually be significant contracts for the RPO and usually merit full legal review. Some RPOs have their own legal departments that become involved in licence negotiations; others regularly use external lawyers. Some RPOs tend not to involve lawyers at all, but instead require their licensing executives to take on the legal/drafting role as part of their duties. If the transaction is significant, legal advice may well be required.

If the parties are discussing a term sheet for the licence agreement and the RPO intends to involve a lawyer, it is often more cost effective to begin work with the lawyer at the term sheet stage. The lawyer's review of the term sheet can usually be quick and brief, and will usually concentrate on the following issues:

- Ensuring that it is clear whether the term sheet is intended to be legally binding or create obligations to negotiate; and
- Checking that the provisions are reasonably clear and unambiguous and do not promise too much. Term sheets vary greatly in their content and language, and sometimes include onerous obligations. Even though the term sheet may be stated to be not legally binding, it may be difficult in practice to 'back track' from a commitment made in a term sheet, sometimes inadvertently.

Model Exclusive Software Licence Agreement

Model Exclusive Software Licence Agreement

Dated _____20[●]

(1) [*Full legal name of the RPO*]

and

(2) [*Full legal name of the Licensee*]

MODEL EXCLUSIVE SOFTWARE LICENCE AGREEMENT

MODEL EXCLUSIVE SOFTWARE LICENCE AGREEMENT[i ii iii iv]

This Agreement dated _____ 20[●][v] is between:

(1)   [●] (the "**RPO**"), [an academic institution incorporated *or* established under [statute *or* charter in Ireland,] whose [principal address *or* registered office] is at [●][vi]; and

(2)   **[●] [LIMITED][INC]** (the "**Licensee**") [a company incorporated in [●] under registration number [●],] whose [principal place of business *or* registered office] is at [●][vii].

Background:

A.   The RPO has developed the RPO Software.

B.   The Licensee wishes to acquire rights to develop further the RPO Software for the development and commercialisation of Licensed Products in the Field and in the Territory, all in accordance with the provisions of this Agreement.

The Parties agree as follows:

1.   Definitions

1.1   *Definitions.* In this Agreement, the following words shall have the following meanings:

Affiliate	In relation to a Party, means any person that Controls, is Controlled by, or is under common Control with that Party.
Bribery Event	A breach by a Party and/or its Affiliates and/or their respective officers, directors, employees and representatives of the Prevention of Corruption Acts 1889 to 2010[viii] and/or any corresponding anti-bribery or anti-corruption legislation in the Territory.
Claims	All demands, claims and liability (whether criminal or civil, in contract, tort (including negligence) or otherwise) for losses, damages, legal costs and other expenses of any nature whatsoever and all costs and expenses (including legal costs) incurred in connection therewith.
Commencement Date	[●][ix].

Confidential Information	(a) The RPO Software; and
	(b) All other technical or commercial information that:
	    (i) in respect of information provided in documentary form or by way of a model or in other tangible form, at the time of provision is marked or otherwise designated to show expressly or by necessary implication that it is imparted in confidence; and
	    (ii) in respect of information that is imparted orally, any information that the Disclosing Party or its representatives informed the Receiving Party at the time of disclosure was imparted in confidence; and
	    (iii) any copy of any of the foregoing.

Control	Direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that Party, as the case may be.
Copy	Includes reproduction in any material form and storage in any medium, and "**Copies**" shall be interpreted accordingly.

Customer	Any customer of the Licensee who requires any Licensed Product for its own use.
Device	Any device or equipment that is enabled by, implements, incorporates, Copies, Modifies, or is based on the whole or any part of the RPO Software and/or any Licensed Product.
Diligent and Reasonable Efforts	Exerting such efforts and employing such resources as would normally be exerted or employed by a reasonable third party company for a product of similar market potential at a similar stage of its product life, when utilising sound and reasonable scientific and business practice and judgement in order to develop the product in a timely manner and maximise the economic return to the Parties from its commercialisation.
Disclosing Party	Has the meaning given in Clause 3.
Field	The area of [●][x].
Licensed Products	[Any (a) products that incorporate, or their development makes use of, or are based on the whole or any part of the RPO Software, including any Devices, and (b) any Software Services.]
Modifications	Includes any modification, enhancement, adaptation, translation, abridgement, condensation, revision or re-write and "**Modifies**" and "**Modified**" shall be interpreted accordingly.
[Net Receipts[xi]]	[The amount of any payments (excluding Value Added Tax), and the value of any non-monetary receipts, obtained by, or due to, the Licensee or its Affiliates from independent third parties in relation to the development or sub-licensing (including the grant of any option over a sub-licence) of any of the RPO Software, and including any of the following: (a) up-front, milestone (whether at the stage of development, marketing or otherwise), success, bonus, maintenance and periodic (including annual) payments and royalty payments due under any sub-licence agreement; (b) payments in respect of the funding of research or development activities related to any Licensed Product, to the extent that such payments exceed a reasonable level of payment for such activities; (c) where any sub-licence is to be granted under cross-licensing arrangements, the value of any third party licence obtained under such arrangements; (d) any premium paid over the fair market value of shares, options or other securities in respect of any of the share capital of the Licensee or its Affiliate (such fair market value to be determined on the assumption that RPO had not granted, nor agreed to grant, any rights to the Licensee in respect of any of the RPO Software); (e) any loan, guarantee or other financial benefit made or given other than on normal market terms; and (f) any shares, options or other securities obtained from a third party.]
[Net Sales Value[xii]]	[The invoiced price of Licensed Products sold or otherwise supplied (which shall also include Licensed Products licensed to Customers) by the Licensee or any of its Affiliates to independent third parties in arm's length transactions[xiii] or, where the sale or other supply is not at arm's length, the price that would have been so invoiced if it had been at arm's length, after deduction of all documented: (a) normal trade discounts actually granted and any credits actually given for rejected or returned Licensed Products; (b) costs of packaging, insurance, carriage and freight, provided in each case that the amounts are separately charged on the relevant invoice;

(c)   Value Added Tax or other sales tax; and

(d)   import duties or similar applicable government levies;

provided that such deductions do not exceed reasonable and customary amounts in the markets in which such sales or other supplies occurred[xiv]. Sales and other supplies between any of the Licensee, its Affiliates and sub-licensees shall not be considered for the purposes of this definition unless there is no subsequent sale or other supply to a person who is not the Licensee, its Affiliate or sub-licensee.]

Parties	The RPO and the Licensee, and "**Party**" shall mean either of them.
Principal Investigator	[●][xv].
Receiving Party	Has the meaning given in Clause 3.
RPO Software	The software described in Schedule 1, together with any documentation described in Schedule 1 and any other information the RPO may provide to the Licensee in relation to such software and documentation.
Software Services	Any services that (a) use, implement, Copy, incorporate, or are based on the whole or any part of the RPO Software, or (b) in the provision of which, a Licensed Product is used but not supplied.
Territory	[●][xvi xvii].

2.   Grant of rights

2.1   *Licence.* The RPO hereby grants to the Licensee, subject to the provisions of this Agreement, an exclusive[xviii] licence to use the RPO Software only in the Field and in the Territory to develop and distribute Licensed Products. The Licensee shall not use the RPO Software for any purpose except as expressly licensed hereby and in accordance with the provisions of this Agreement.

2.2   *Sub-licensing.*

(a)   The Licensee shall be entitled to grant sub-licences of its rights under this Agreement to any of its Affiliates without the need for any further consent from the RPO, provided that the Licensee complies with the conditions set out in paragraphs (i) to (v) of Clause 2.2(b) in respect of any such sub-licence.

(b)   Subject to Clause 2.2(a) and Clause 2.3, the Licensee shall not be entitled to grant sub-licences of its rights under this Agreement, except with the prior written consent of the RPO, which consent shall not be unreasonably withheld. Where the RPO gives its consent, the Licensee shall be entitled to grant sub-licences of its rights under this Agreement to any person, provided that:

(i)   the sub-licence shall include obligations on the sub-licensee which are equivalent to the obligations on the Licensee under this Agreement and limitations of liability that are equivalent to those set out in this Agreement;

(ii)   the sub-licence shall terminate automatically on the termination of this Agreement for any reason;

(iii)   the sub-licence shall not permit the sub-licensee to further sub-license any of its rights to the RPO Software;

(iv)   within thirty (30) days of the grant of any sub-licence the Licensee shall provide to the RPO a true copy of it; and

(v)   the Licensee shall be responsible for any breach of the sub-licence by the sub-licensee, as if the breach had been that of the Licensee under this Agreement, and the Licensee shall indemnify the RPO against any losses, damages, costs, claims or expenses which are awarded against or suffered by the RPO as a result of any such breach by the sub-licensee[xix].

2.3   *End users.* The Licensee may grant to Customers sub-licences to use Licensed Products provided that the Licensee shall enter into a separate, written end-user software licence agreement with each Customer on the terms set out in Schedule 3.

2.4   *Reservation of rights.*

(a)   The RPO reserves for itself and its Affiliates the [exclusive], irrevocable, worldwide, royalty-free right to use the whole or any part of the RPO Software in the Field for the purposes of research that is not directed to the development of commercial products or services, publication and teaching.

(b)   Except for the licences expressly granted by this Clause 2, the RPO reserves all its rights. Without prejudice to the generality of the foregoing, the RPO grants no rights to any intellectual property other than any intellectual property rights that subsist in the RPO Software and reserves all rights outside the Field.

2.5   *Supply of the RPO Software.*

(a)   Within fourteen (14) days of the Commencement Date, the RPO shall provide the Licensee with a single copy of the RPO Software. The Licensee acknowledges and agrees that no other documentation, manuals or other written information shall be provided to it by the RPO other than the RPO Software.

(b)   Except as expressly permitted by this Agreement, the Licensee shall not modify, adapt, disassemble, reverse engineer, decompile, translate, or otherwise attempt to discover the source code of any of the RPO Software solely made available to the Licensee in object code form or permit any of these things to happen, except as expressly allowed by applicable, mandatory law governing the rights of software licensees.

(c)   The RPO Software is provided 'as is' and, without prejudice to the generality of Clause 7, the RPO shall not have any obligations to upgrade, bug-fix, provide support or maintenance services, or provide any information, assistance or consultancy in relation to the RPO Software.

(d)   The Parties may enter into a further written agreement under which the RPO (through the Principal Investigator) would provide consultancy services to the Licensee in relation to the further development or support and maintenance of the RPO Software. Any such agreement: (i) would be on the terms of the RPO's standard consultancy agreement, or such other terms as the Parties may agree in writing; and (ii) must be signed by authorised representatives of each Party.

3.   Confidentiality

3.1   *Confidentiality obligations.* Each Party (the "Receiving Party") undertakes   from the Commencement Date:

(a)   to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party (the "**Disclosing Party**") in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;

(b)   to use such Confidential Information only for the purposes of this Agreement;

(c) to disclose such Confidential Information only to those of its employees, contractors and sub-licensees pursuant to this Agreement (if any) to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and

(d) to ensure that all those to whom disclosure of or access to such Confidential Information has been given, including its officers, directors, employees and professional advisors, comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by any of the foregoing.

3.2 *Exceptions to obligations.* The provisions of Clause 3.1 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

(a) was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or

(b) is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or

(c) is independently developed by the Receiving Party by individuals who have not had any direct or indirect access to the Disclosing Party's Confidential Information; or

(d) is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, Affiliates or sub-licensees.

3.3 *Disclosure in accordance with legal obligations.* To the extent that the Receiving Party is required to disclose any of the Disclosing Party's Confidential Information by order of a court or other public body that has jurisdiction over it or under other legal obligations, such as under a *bona fide* freedom of information request[xx], it may do so, provided that, before making such a disclosure the Receiving Party shall, unless the circumstances prohibit:

(a) inform the Disclosing Party of the proposed disclosure as soon as possible, in any event, no later than five (5) working days after becoming aware of the proposed disclosure; and

(b) permit the Disclosing Party to make representations (written or otherwise) in respect of the disclosure and/or confidential treatment of the Confidential Information.

4. Additional Licensee obligations

4.1 *Compliance with applicable laws, etc.* The Licensee shall in exercising its rights under this Agreement:

(a) comply with all applicable laws, regulations and other similar instruments in the Territory and shall at all times be solely liable and responsible for such due observance and performance; and

(b) permit, and shall use its best endeavours to obtain permission for, the RPO at all reasonable times and on reasonable notice to enter any place used for the development, manufacture, use or storage of the Licensed Products to inspect the methods of development, manufacture, use and storage.

4.2 *Licensee restrictions.* The Licensee shall not, and shall ensure that its Affiliates and sub-licensees do not:

(a) use the name, any adaptation of the name, any logo, trademark or other device of the RPO, in any advertising, promotional or sales materials without prior written consent obtained from the RPO in each case;

(b) do, or omit to do, anything to diminish the rights of the RPO in the RPO Software;

(c)   use any child labour in the manufacture or distribution of the Licensed Products, and where third parties are to manufacture or distribute those Licensed Products the Licensee shall procure from those third parties written confirmation that they shall not use any child labour in the manufacture or distribution of the Licensed Products; or

(d)   engage in conduct in any Territory that would reasonably be construed as a Bribery Event.

5.   Payments[xxi][xxii]

5.1   [*Initial payment*. Within thirty (30) days of the Commencement Date, the Licensee shall pay to the RPO the non-refundable[, non-deductible] lump-sum of [●] Euro (€[●])[xxiii] [*or* which shall be an advance against royalties due under Clause 5.4 and Clause 5.5].]

5.2   [*Milestone payments.* Upon achievement of the each of the milestone events set out in the following table, the Licensee shall pay to the RPO the amount(s) set out next to such milestone event in the table:]

Milestone event[xxiv]	Amount to be paid

5.3   [*Annual licence fees[xxv]*. On each anniversary of the Commencement Date (or such other date(s) as may be agreed to by the Parties in writing), the Licensee shall pay to the RPO the annual licence fee of [●] Euro (€[●]). If the Licensee fails to pay any such amount by such date, the RPO may in its sole and absolute discretion either (a) convert the licence granted under Clause 2.1 into a non-exclusive licence, or (b) elect to treat such non-payment as a material breach under Clause (i); in either case by issuing a written notice to the Licensee to inform the Licensee of its decision.]

5.4   [*Royalties on Net Sales Value[xxvi]*. The Licensee shall pay to the RPO a royalty of [●] per cent ([●]%) of the Net Sales Value of all Licensed Products, or any part thereof, sold or otherwise supplied by Licensee or its Affiliates.]

5.5   [*Royalties on Net Receipts[xxvii]*. The Licensee shall pay to the RPO a royalty of [●] per cent ([●]%) of Net Receipts.]

5.6   [*Non-monetary consideration; referral to expert[xxviii]*. Where the Licensee accepts Net Receipts in the form of shares in a sub-licensee or other non-monetary receipts, the Licensee shall pay the royalty due under this Agreement to the RPO on such Net Receipts by determining the equivalent cash value of such shares or other non-monetary receipts. If the Parties disagree as to the cash value of such shares or non-monetary receipts, such disagreement shall be referred to an independent expert who shall be appointed and act in accordance with the provisions of Schedule 2 and whose decision shall be final and binding on the Parties.]

5.7   [*Minimum royalties[xxix]*. If the royalties payable under Clause 5.4 and Clause 5.5 are less than [●] Euro (€[●]) ("**Minimum Royalty**") in any calendar year, the Licensee shall pay to the RPO the amount by which such royalties are less than the Minimum Royalty within sixty (60) days of the end of such calendar year, failing which the RPO shall be entitled to terminate this Agreement and all licences granted under this Agreement by notice in writing to the Licensee given at any time after the expiry of the said sixty (60) day period. If this Agreement ends on any day other than the end of a calendar year, the Minimum Royalty due for that year shall be reduced pro-rata, i.e. the minimum amount due shall be the Minimum Royalty for a complete year multiplied by the number of days of the final calendar year during which this Agreement was in force, and divided by three hundred and sixty five (365) days.]

5.8   [*Payment frequency[xxx]*. Royalties due under this Agreement shall be paid within thirty (30) days of the end of each quarter ending on 31 March, 30 June, 30 September and 31 December, in respect of sales and other supplies of Licensed Products made and Net Receipts generated during such quarter and within thirty (30) days of the termination of this Agreement.]

5.9   *Payment terms.* All sums due under this Agreement:

(a)   are exclusive of Value Added Tax which where applicable will be paid by the Licensee to the RPO in addition;

(b)   shall be paid in Euro in cash by transferring an amount in aggregate to the following account number [●], sort code [●], account name [●], held with [●] Bank plc, [address]ˣˣˣⁱ, and in the case of sales or sub-licence income received by the Licensee in a currency other than Euro, the royalty shall be calculated in the other currency and then converted into equivalent Euro at the buying rate of such other currency as quoted by [●] Bank plc in [Dublin] as at the close of business on the last business day of the quarterly period with respect to which the payment is made;

(c)   shall be made without deduction of income tax or other taxes, charges or duties that may be imposed, except insofar as the Licensee is required to deduct the same to comply with applicable laws. The Parties shall cooperate and take all steps reasonably and lawfully available to them, at the reasonable expense of the RPO, to avoid deducting such taxes and to obtain double taxation relief. If the Licensee is required to make any such deduction it shall provide the RPO with such certificates or other documents as it can reasonably obtain to enable the RPO to obtain appropriate relief from double taxation of the payment in question; and

(d)   shall be made by the due date, failing which the RPO may charge interest on any outstanding amount on a daily basis at an annual rate equivalent to [●] per cent ([●]%) above the [●] Bank plc base lending rate then in force in [Dublin].

5.10   *Exchange controls.* If at any time during the continuation of this Agreement the Licensee is prohibited from making any of the payments required hereunder by a governmental authority in any country, then within the prescribed period for making the said payments in the appropriate manner, the Licensee shall use its best endeavours to secure from the proper authority in the relevant country permission to make the said payments and shall make them within seven (7) days of receiving such permission. If such permission is not received within thirty (30) days of the Licensee making a request for such permission then, at the option of the RPO, the Licensee shall deposit the royalty payments due in the currency of the relevant country either in a bank account designated by the RPO within such country, or such royalty payments shall be made to an associated company of the RPO designated by the RPO and having offices in the relevant country designated by the RPO.

5.11   [*Royalty statements*ˣˣˣⁱⁱ. The Licensee shall send to the RPO at the same time as each royalty payment is made in accordance with Clause 5.4 or Clause 5.5 a statement setting out, in respect of each territory or region in which Licensed Products are sold or supplied, the types of Licensed Product sold or supplied, the quantity of each type sold or supplied, and the total Net Sales Value, and the total Net Receipts in respect of each type and sub-licensee, expressed both in local currency and Euro and showing the conversion rates used, during the period to which the royalty payment relates.]

5.12   [*Records*ˣˣˣⁱⁱⁱ.

(a)   The Licensee shall keep at its normal place of business detailed and up to date records and accounts showing (i) the quantity, description and value of Licensed Products sold or otherwise supplied by it, and (ii) the amount of sub-licensing revenues received by it in respect of Licensed Products, in each case on a country by country basis, and being sufficient to ascertain the payments due under this Agreement.

(b)   The Licensee shall make such records and accounts available, on reasonable notice, for inspection during business hours by an [independent chartered accountant] nominated by the RPO for the purpose of verifying the accuracy of any statement or report given by the Licensee to the RPO under this Clause 5. The [accountant] shall be required to keep confidential all information learnt during any such inspection, and to disclose to the RPO

only such details as may be necessary[xxxiv] to report on the accuracy of the Licensee's statement or report. The RPO shall be responsible for the [accountant's] charges unless the [accountant] certifies that there is an inaccuracy of more than [five per cent (5%)][xxxv] in any royalty statement, in which case the Licensee shall pay his charges in respect of that inspection.

(c) The Licensee shall ensure that RPO has the same rights as those set out in this Clause 5.12 in respect of any person that is sub-licensed under the RPO Software pursuant to this Agreement.]

6. Commercialisation

6.1 *General diligence.* The Licensee shall be exclusively responsible for the technical and commercial development of Licensed Products and shall use Diligent and Reasonable Efforts to develop and commercially exploit Licensed Products to the maximum extent in the Field and throughout the Territory.

6.2 *Annual Report.*

(a) Without prejudice to the generality of the Licensee's obligations under Clause 6.1, the Licensee shall provide at least annually to the RPO an updated, written statement (the "**Annual Report**") that shall set out the past, current and projected activities taken or planned to be taken by the Licensee and its Affiliates and sub-licensees (if any) to bring Licensed Products to market and maximise the sale of Licensed Products in the Field throughout the Territory, including whether and when any milestone events referred to in this Agreement have been performed or are likely to be performed by the Licensee.

(b) The RPO's receipt or approval of any Annual Report shall not be taken to waive or qualify the Licensee's obligations under Clause 6.1.

6.3 *Referral to expert[xxxvi].* If the RPO considers at any time during the period of this Agreement that the Licensee has without legitimate reason failed to comply with its obligations under Clause 6.1, the RPO shall be entitled to refer to an independent expert the following questions:

(a) whether the Licensee has complied with its obligations under Clause 6.1; and if not

(b) what specific action the Licensee should have taken ("**Specific Action**") in order to have so complied.

6.4 *Appointment of expert.* The independent expert shall be appointed in accordance with the provisions of Schedule 2 and his decision shall be final and binding on the Parties.

6.5 *Consequences of expert's decision.* If the expert determines that the Licensee has failed to comply with its obligations under Clause 6.1, and if the Licensee fails to take the Specific Action within six (6) months of the expert giving his decision in accordance with Schedule 2, the RPO shall be entitled, by giving, at any time within three (3) months after the end of that six (6) month period, not less than three (3) months' notice to terminate this Agreement and the licences granted to the Licensee under Clause 2.

7. Intellectual property[xxxvii]

7.1 *Infringement of the RPO Software[xxxviii].*

(a) Each Party shall inform the other Party promptly if it becomes aware of any infringement or potential infringement of any intellectual property rights that subsist in the RPO Software in the Field, and the Parties shall consult with each other to decide the best way to respond to such infringement.

(b) If the Parties fail to agree on a joint programme of action for responding to such infringement, including how the costs of any such action are to be borne and how any

damages or other sums received from such action are to be distributed, then the Licensee shall be entitled to take action[xxxix] against the third party at its sole expense, subject to the following provisions of this Clause 7.1.

(c)   Before starting any legal action under Clause 7.1(b), the Licensee shall consult with the RPO as to the advisability of the action or settlement, its effect on the good name of the RPO, the public interest, and how the action should be conducted.

(d)   If the alleged infringement is both within and outside the Field, the Parties shall also co-operate with the RPO's other licensees (if any) in relation to any such action.

(e)   The Licensee shall reimburse the RPO for any reasonable expenses incurred in assisting it in such action. The Licensee shall pay the RPO royalties, in accordance with Clause 5, on any damages received from such action as if the amount of such damages after deduction of both Parties' reasonable expenses in relation to the action were Net Receipts[xl].

(f)   The RPO shall agree to be joined[xli] in any suit to enforce such rights subject to being indemnified and secured in a reasonable manner as to any costs, damages, expenses or other liability and shall have the right to be separately represented by its own counsel at its own expense.

(g)   If, within six (6) months of the Licensee first becoming aware of any potential infringement of any intellectual property rights that subsist in the RPO Software, the Licensee is unsuccessful in persuading the alleged infringer to desist or fails to initiate an infringement action, the RPO shall have the right, at its sole discretion, to prosecute such infringement under its sole control and at its sole expense, and any damages or other payments recovered shall belong solely to the RPO.

7.2   *Infringement of third party rights[xlii].*

(a)   If any warning letter or other notice of infringement is received by a Party, or legal suit or other action is brought against a Party, alleging infringement of third party rights in the manufacture, use or sale of any Licensed Product or in the use of the RPO Software, that Party shall promptly provide full details to the other Party, and the Parties shall discuss the best way to respond.

(b)   The Licensee shall have the right but not the obligation to defend such suit to the extent it relates to activities in the Field and shall have the right to settle with such third party, provided that if any action or proposed settlement involves the making of any statement, express or implied, concerning the validity of any intellectual property rights that subsist in the RPO Software, the consent of the RPO must be obtained before taking such action or making such settlement.

8.   Warranties and liability

8.1   *Warranties by RPO[xliii].* The RPO warrants and undertakes as follows:

(a)   Subject to Clause (b), it is the proprietor of any copyright[xliv] that subsists in the RPO Software; and

(b)   It has not done, and shall not do nor agree to do during the continuation of this Agreement, any of the following things if to do so would be inconsistent with the exercise by the Licensee of the rights granted to it under this Agreement, namely[xlv]:

(i)   granted or agreed to grant any rights to use the RPO Software in the Field in the Territory to any other person; and

(ii) assigned, mortgaged, charged, or otherwise transferred any copyright that subsists in the RPO Software in the Field in the Territory or (subject to Clause (b)) any of its rights or obligations under this Agreement.

8.2 *Acknowledgements.* The Licensee acknowledges and agrees that:

(a) the RPO Software is at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information or other items (together "**Delivered Items**") provided under this Agreement are provided 'as is' and without any express or implied warranties, representations or undertakings. As examples, but without limiting the foregoing, the RPO does not give any warranty that Delivered Items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, nor are free from bugs, errors, viruses, or other harmful elements; and

(b) the RPO has not performed any searches or investigations into the existence of any third party rights that may affect the RPO Software.

8.3 *No other warranties.*

(a) Each of the Licensee and the RPO acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law[xlvi].

(b) Without limiting the scope of Clause 1.1(a), the RPO does not make any representation nor give any warranty or undertaking:

   (i) as to the scope, efficacy or usefulness of the RPO Software; or

   (ii) that the use of the RPO Software, the manufacture, sale or use of the Licensed Products or the exercise of any of the rights granted under this Agreement will not infringe any intellectual property or other rights of any other person[xlvii]; or

   (iii) that the RPO Software and any other information communicated by the RPO to the Licensee under or in connection with this Agreement will produce Licensed Products of satisfactory quality or fit for the purpose for which the Licensee intended or that any product will not have any latent or other defects, whether or not discoverable; or

   (iv) as imposing any obligation on the RPO to bring or prosecute actions or proceedings against third parties for infringement of any intellectual property rights that subsist in the RPO Software; or

   (v) as imposing any liability on the RPO in the event that any third party supplies Licensed Products to customers located in the Territory.

8.4 *Indemnity[xlviii]*. The Licensee shall indemnify the RPO against all third party Claims[xlix] that may be asserted against or suffered by the RPO and which relate to:

(a) the use by the Licensee or any of its Affiliates or sub-licensees of the RPO Software;

(b) the development, manufacture, use, marketing or sale of, or any other dealing in, any of the Licensed Products, by the Licensee or any of its Affiliates or sub-licensees, or subsequently by any Customer or any other person, including claims based on product liability laws; or

(c) a breach by the Licensee of any laws or regulations in the Territory, including any Bribery Event.

8.5   *Conditions for the indemnity.* If the RPO seeks indemnification pursuant to Clause 8.4, the RPO shall provide prompt written notice to the Licensee of the initiation of any action or proceeding that may reasonably lead to a claim for indemnification. Upon receipt of such notice, the Licensee shall have the right to assume the defence and settlement of such action or proceeding, provided that it shall not settle any action or proceeding without the RPO's prior written consent. The RPO and the Licensee shall co-operate with each other in the defence of such claim.

8.6   *Liability of the Parties.*

(a)   To the extent that either of the Parties has any liability in contract, tort (including negligence), or otherwise under or in connection with this Agreement, including any liability for breach of warranty, their liability shall be limited in accordance with the following provisions of this Clause 8.6. However, the limitations and exclusions of liability set out in this Clause 8.6 shall not apply to any indemnity against third party Claims given under Clause 8.4.

(b)   The aggregate liability of the RPO shall be limited to an amount equal to the total income that the RPO has received from the Licensee during the period of [●] years preceding the date on which the liability arises, or [●], whichever is the higher.

(c)   In no circumstances shall either Party be liable for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other Party or its Affiliates that is (a) of an indirect, special or consequential nature or (b) any loss of profits, revenue, data, business opportunity or goodwill.

(d)   Notwithstanding any other provision, nothing in this Agreement excludes any person's liability to the extent that it may not be so excluded under applicable law, including any such liability for death or personal injury caused by that person's negligence, or liability for fraud.

8.7   *Insurance.* Without limiting its liabilities under this Agreement, the Licensee shall take out with a reputable insurance company and maintain at all times during the term of this Agreement public, professional and product liability insurance including against all loss of and damage to property (whether real, personal or intellectual) and injury to persons including death arising out of or in connection with this Agreement and the Licensee's and its Affiliates' and sub-licensees' use of the RPO Software and use, sale of or any other dealing in any of the Licensed Products. Such insurances may be limited in respect of one claim provided that such limit must be at least six million five hundred thousand Euro (€6,500,000.00). Product and professional liability insurance shall continue to be maintained by the Licensee for a further six (6) years from the end of the term of this Agreement.

9.   Duration and Termination

9.1   *Commencement and termination by expiry.* This Agreement, and the licences granted hereunder, shall come into effect on the Commencement Date and shall continue in force for a period of five (5) years, unless: (a) extended in accordance with Clause 9.2; or (b) terminated early in accordance with Clause 9.3 (together, the "**Term**"). Upon expiry of the Term, this Agreement and the licences granted hereunder shall terminate automatically by expiry.

9.2   *Possible extension of the term.*

(a)   For the purposes of this Clause 9.2, the term "**Conditions**" shall mean the following two conditions, namely that the Licensee has: (i) at all times complied with its obligations under this Agreement; and (ii) at the date the Licensee gives the Notice to the RPO, generated aggregate Net Sales Value and Net Receipts in excess of [●].

(b)   At least sixty (60) days but no more than one hundred and twenty (120) days prior to the expiry of the Term (the "**Notice Period**"), the Licensee shall give written notice (the "**Notice**") to the RPO specifying whether or not the Licensee wishes to extend the Term for an additional [●] years.

(c)   If the Licensee specifies in the Notice that it wishes to extend the Term for an additional [●] years and has satisfied the Conditions, then the Parties shall extend the Term for an additional [●] years.

(d)   If the Licensee specifies in the Notice that it does not wish to extend the Term for an additional [●] years, or if the RPO does not receive the Notice within the Notice Period, or if the RPO reasonably considers that the Licensee has not satisfied the Conditions, then the Term shall not be extended. Accordingly, in such circumstances, this Agreement, and the licences granted hereunder, shall automatically terminate upon expiry of the Term (i.e. on the fifth (5th) anniversary of the Commencement Date).

9.3   *Early termination.*

(a)   The Licensee may terminate this Agreement at any time on [twelve (12) months'] notice in writing to the RPO.

(b)   Either Party may terminate this Agreement at any time by notice in writing to the other Party (the "**Other Party**"), such termination to take effect as specified in the notice:

    (i)   if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy within ninety (90) days, the breach is not remedied within ninety (90) days of the Other Party receiving notice specifying the breach and requiring its remedy; or

    (ii)   if: (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due; (B) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); (C) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; (D) the Other Party makes any composition with its creditors; (E) the Other Party ceases to continue its business; or (F) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action.

(c)   The RPO may terminate this Agreement by giving written notice to the Licensee, such termination to take effect forthwith or as otherwise stated in the notice:

    (i)   if the Licensee fails to pay any amount due under this Agreement by the relevant due date; or

    (ii)   in accordance with the provisions of Clause 6.5; or

    (iii)   [if there is any change of Control of the Licensee]; or

    (iv)   if a Bribery Event occurs in relation to the Licensee, any of its Affiliates or their respective officers, directors, employees and representatives.

(d)   A Party's right of termination under this Agreement, and the exercise of any such right, shall be without prejudice to any other right or remedy (including any right to claim damages) that such Party may have in the event of a breach of contract or other default by the other Party.

9.4   *Consequences of termination.*

(e)   Upon termination of this Agreement for any reason otherwise than in accordance with Clause 9.1:

    (i)   the Licensee and its sub-licensees shall be entitled to sell, use or otherwise dispose of [(subject to payment of royalties under Clause 5)] any unsold or unused stocks of the Licensed Products for a period of six (6) months following the date of termination;

(ii) subject to paragraph (i) above, the Licensee shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the RPO Software, in so far and for as long as any intellectual property rights that subsist in the RPO Software remain in force;

(iii) each Party shall return to the other or, at the other Party's request, destroy any documents or other materials that are in its or its Affiliates or sub-licensees' possession or under its or its Affiliates or sub-licensees' control and that contain the other Party's Confidential Information; and

(iv) subject as provided in this Clause 9.4, and except in respect of any accrued rights, neither Party shall be under any further obligation to the other.

(f) Upon termination of this Agreement for any reason the provisions of Clauses[l] [3, [5 (in respect of Net Sales Value and Net Receipts generated prior to termination or under clause 9.4(e)(i))][li], 8.4, 8.5, 8.6, 8.7, 9.4 and 10] shall remain in force.

10. General[lii]

10.1 *Force majeure.* Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement that result from circumstances beyond the reasonable control of that Party[liii], including labour disputes involving that Party. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

10.2 *Amendment.* This Agreement may only be amended in writing signed by duly authorised representatives of the RPO and the Licensee.

10.3 *Assignment.*

(a) Subject to Clause 10.3(b), neither Party shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement, nor any of the RPO Software, without the prior written consent of the other Party.

(b) Either Party may assign all its rights and obligations under this Agreement together with its rights in the RPO Software to any person to which it transfers all or substantially all of its assets or business [in the Field], provided that the assignee undertakes to the other Party to be bound by and perform the obligations of the assignor under this Agreement. However a Party shall not have such a right to assign this Agreement if it is insolvent[liv] or any other circumstance described in Clause (ii) applies to it.

10.4 *Waiver.* No failure or delay on the part of either Party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

10.5 *Invalid clauses.* If any provision or part of this Agreement is held to be invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law.

10.6 *No agency.* Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf.

10.7 *Interpretation.* In this Agreement:

(a) the headings are used for convenience only and shall not affect its interpretation;

(b)   references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine and vice versa;

(c)   references to Clauses and Schedules mean clauses of, and schedules to, this Agreement;

(d)   references in this Agreement to termination shall include termination by expiry; and

(e)   where the word "including" is used it shall be understood as meaning "including without limitation".

10.8   *Notices.*

(a)   Any notice to be given under this Agreement shall be in writing and shall be sent by post, or by fax (confirmed by post) to the address of the relevant Party set out at the head of this Agreement, or to the relevant fax number set out below, or such other address or fax number as that Party may from time to time notify to the other Party in accordance with this Clause 10.8. The fax numbers of the Parties are as follows[lv]: The RPO – [●]; the Licensee – [●].

(b)   Notices sent as above shall be deemed to have been received three (3) working days after the day of posting, or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

10.9   *Law and jurisdiction.*

(a)   This Agreement shall be governed by and construed in accordance with the laws of the Republic of Ireland and each Party agrees to submit to the exclusive jurisdiction of the courts of the Republic of Ireland.

(b)   Notwithstanding Clause 10.9(a), before commencing any litigation, each Party shall consider in good faith whether it would be reasonable in the circumstances for the Parties to agree to pursue any alternative dispute resolution processes. Such alternative processes may include internal escalation procedures and/or mediation in accordance with the WIPO mediation rules. For the avoidance of doubt, however, nothing in this Agreement shall prevent or delay a Party from seeking an interim injunction.

10.10   *Further action.* Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

10.11   *Announcements.* Neither Party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other Party in connection with or in consequence of this Agreement, without the prior written consent of the other Party.

10.12   *Entire agreement.* This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter. Subject to Clause (d), the Parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement.

10.13   *Export Control Regulations.*

(a)   "**Export Control Regulations**" mean any United Nations trade sanctions, Irish, or EU legislation or regulation, from time to time in force, which impose arms embargoes or control the export of goods, technology or software, including weapons of mass destruction and arms, military, paramilitary and security equipment and dual-use items (items designed for civil use but which can be used for military purposes) and certain drugs and chemicals.

(b)   The Licensee shall ensure that, in exercising its rights pursuant to this Agreement including in using the RPO Software and in selling Licensed Products, it shall not and nor shall its or its Affiliates' employees' or sub-contractors' breach or compromise, directly or indirectly, compliance with any Export Control Regulations.

Agreed by the Parties through their authorised signatories:

For and on behalf of
[Full legal name of the RPO]

For and on behalf of
[Full legal name of the Licensee]

_____
Signed

_____
Signed

_____
Print name

_____
Print name

_____
Title

_____
Title

_____
Date

_____
Date

Schedule 1

The RPO Software

[*Insert a description of the software to be licensed, including: specifying whether object or source code will be made available; whether any particular version of the software will be made available and a description of any documentation, other information and resources (such as a CD-ROM) to be made available.*]

Schedule 2

Appointment of expert

1.   Pursuant to [Clause 5.6 or] Clause 6.3, the RPO may serve notice on the Licensee ("**Referral Notice**") that it wishes to refer to an expert (the "**Expert**") the questions set out in [Clause 5.6 or] Clause 6.3.

2.   The Parties shall agree the identity of a single independent, impartial expert to determine such questions. In the absence of such agreement within thirty (30) days of the Referral Notice, the questions shall be referred to an expert appointed by the President of Law Society of Ireland.

3.   Sixty (60) days after the giving of a Referral Notice, both Parties shall exchange simultaneously statements of case in no more than ten thousand (10,000) words, in total, and each side shall simultaneously send a copy of its statement of case to the Expert.

4.   Each Party may, within thirty (30) days of the date of exchange of statement of case pursuant to paragraph 3 above, serve a reply to the other Party's statement of case of not more than ten thousand (10,000) words. A copy of any such reply shall be simultaneously sent to the Expert.

5.   The Expert shall make his decision on the said questions on the basis of written statements and supporting documentation only and there shall be no oral hearing. The Expert shall issue his decision in writing within thirty (30) days of the date of service of the last reply pursuant to paragraph 4 above or, in the absence of receipt of any replies, within sixty (60) days of the date of exchange pursuant to paragraph 3 above.

6.   The Expert's decision shall be final and binding on the Parties.

7.   The Expert's charges shall be borne equally by the Parties.

Schedule 3

Template End User Software Licence Agreement

[*Insert*]

Drafting notes

i This is a detailed exclusive software licence agreement, containing provisions that are appropriate for when granting an exclusive licence to software for the purpose of the licensee then developing and distributing the software. In some situations it may be thought to be too detailed and can be cut-down where appropriate. This Model Exclusive Software Licence Agreement should be read in conjunction with the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

As in the Model Exclusive Licence Agreement template, this detailed Model Exclusive Software Licence Agreement template includes optional and alternative provisions that may be selected or discarded as appropriate. For example the financial terms in this agreement include upfront fees, annual licence fees, milestone payments, minimum royalties, and royalties on both net sales and net receipts: some but not all of these provisions will typically be encountered in any one agreement of this type.

One of the assumptions that was made when this template was put together was that the RPO is the owner of any IP rights that subsist in the RPO Software – i.e. this template has been put together on the basis that no third party software (including, for example, third party open source software) has been incorporated in the RPO Software. Before concluding any licensing deal, the RPO should undertake due diligence to ascertain whether or not this is the case and therefore whether this template is a suitable starting point for the deal in question. For example, if the RPO discovers that third party open source software has been incorporated into the RPO Software, certain amendments will need to be made to the template. For further details about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

ii Users of this document should note that the authors have not drafted it to take account of the individual requirements of Irish RPOs which might apply. Users are advised to seek out and address by additional provisions, any peculiarities or requirements of a relevant institution.

iii Users of this document are advised that the authors have not drafted it to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language and to contain other features imposed by consumer-specific laws which are not dealt with in this template agreement.

iv Users of this Model Exclusive Software Licence Agreement should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the user should seek specialist advice when required.

v This should be the date on which the last party signed, and should be inserted by the last signatory, on that date.

vi Insert the full name of the RPO, the statute or charter under which it was incorporated or established, and its registered/principal address. Individual RPOs will have their own legal formalities which will need to be completed to bind the RPO.

vii Insert the full name of company (or other entity) and its principal place of business. This template has been designed for use with a commercial licensee.

viii Users should note that a new piece of legislation relevant to this definition is anticipated – i.e. the Criminal Justice (Corruption) Bill (to be the Criminal Justice (Corruption) Act on implementation). At the time of writing, there is no definite timescale for bringing the Criminal Justice (Corruption) Bill into effect, although it is expected to come into effect in late 2015 but this is not guaranteed. The expected citation is the Corruption Act 2015 and it is expected to replace the Prevention of Corruption Acts 1889 to 2010. Until such time as the Criminal Justice (Corruption) Bill is brought into effect, however, the present citation should be used in this definition.

ix Insert the date on which the licence agreement is to commence. This can be a date before, on, or after the date on which the licence agreement is signed.

x Inclusion of this definition assumes that the licence will be limited to a particular technical field. Technical definitions such as those for the "Field", "RPO Software", "Licensed Products", etc. may require input from scientific colleagues to ensure they are clear, accurate, and unambiguous, and do not overlap with any other licences that have been granted to the same technology.

xi This definition has been drafted very broadly in light of the complex deal structures that a licensee might agree with a sub-licensee (e.g. a mixture of investment, R&D funding, share swaps, etc.) and the possibility of such consideration being weighted so as to reduce sub-licence fees and royalties. It may be appropriate in some transactions to delete some of the examples given.

xii This definition provides for a mechanism to determine the net sales value of the licensed products and thereby the amount of royalty due.

xiii This wording is intended to ensure that the RPO does not suffer if the price is artificially reduced (e.g. if it is discounted in return for an inflated price for another product).
xiv This wording is biased to the RPO. Some licensors include a cap on such deductions (e.g. a percentage of the sales price) or negotiate a fixed-percentage deduction on all sales to avoid the need to calculate the deductions on each occasion.

xv Insert the full name and title of the relevant academic.

xvi List the countries in which the licensee can manufacture and/or sell/supply the licensed products. General definitions such as "Europe" should be avoided – for example, it is not clear whether Europe includes Turkey, Russia, etc. In some situations a list of countries may be appropriate. For western Europe a definition such as members of the EU or EFTA (European Free Trade Association) may be suitable – the latter grouping includes Switzerland and Norway which are not members of the EU. Also consider whether the definition should be frozen, i.e. members of the EU at the date of the agreement and not future members.

xvii Where this document is adapted to be used to govern the performance of obligations in a jurisdiction outside of the Republic of Ireland, users should note that their ability to enforce the rights and obligations set out here may be subject to the laws of that jurisdiction and that local legal advice may need to be sought. Particular issues which may need to be considered include: exclusivity of licence in relation to licenced software (including territorial restrictions);, local restrictions on the export or import of software;, and local distribution or manufacturing laws which may impact the parties' ability to perform their obligations under these terms.

xviii This grants an exclusive licence. This means that nobody but the licensee has any rights to use the RPO Software in the field and in the territory (except for the rights specifically reserved for the RPO under clause 2.4). In some cases (e.g. where more than one piece of software is being licensed), it may be appropriate to have a mixture of exclusive and non-exclusive licences.

xix This wording may require commercial discussion.

xx This covers, for example, disclosures required by a stock exchange on which a party's shares are listed. Sometimes parties prefer to say this more explicitly. It also includes freedom of information requests.

xxi Users of this Model Exclusive Software Licence Agreement are advised that it has not been prepared with regard to any tax law, treatment or policy and that it may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing this agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

xxii This payments clause is detailed and includes numerous optional and alternative provisions that may be selected or discarded as appropriate for the particular deal in question – hence why the majority of the provisions of this clause are in square brackets. For example, the financial terms in this payment clause include upfront fees, annual licence fees, milestone payments, minimum royalties, and royalties on both net sales and net receipts. Some, but not all, of these provisions, will typically be encountered in any one licence agreement. In individual cases, alternative payment provisions may also need to be incorporated (e.g. provisions such as those relating to 'combination products' and 'royalty stacking'). See the Model Exclusive Licence Agreement for template wording for these provisions.

Sometimes the user may also find that the licence agreement forms part of a larger transaction that also involves other agreements (such as a shareholders' agreement) being entered into by the RPO at the same time. This is perhaps most likely to be the case when the RPO is setting up a spin-out company and is entering into a package of documentation for that purpose. In these cases, there may be a link between the grant of the licence and an issue of shares to the RPO. However, the user may find that the terms of the issue of shares are documented in a separate agreement (i.e. a shareholders' agreement). Accordingly, the user may want to consider whether or not it is appropriate in these circumstances to make reference to the issue of shares in the payments clause of this licence agreement – i.e. to make clear that the issue of shares under the shareholders' agreement forms part of the consideration for the grant of the licence under this licence agreement. If the user concludes that this is appropriate, the user must also take particular care regarding the timing of the execution of the two agreements. This is because, under Irish law, past consideration is not regarded as valid consideration. For further information about consideration, the user should consult the Practical Guide entitled "Practical Guide to Legal Issues in Contracts with RPOs".

xxiii This is the amount to be paid to the RPO for entering into the licence agreement. This amount will need to be assessed on the likelihood of Licensed Products being sold and royalties being paid.

xxiv Typical milestone events include validation of Devices and development of software on certain platforms. It is important to have clear and unambiguous definitions of the milestone events.

xxv This can be a fixed fee that is paid annually to maintain the licence. Depending on the deal, this may be omitted or be included in minimum royalties.

xxvi The wording of this clause will depend in part on the commercial deal structure. For example, if licensed products can be leased rather than sold, it may be appropriate to charge a royalty on the hire fee. Similarly, if the licensee provides services using licensed products, royalties may be appropriate on the fees charged for such services. This clause will need to be adapted as appropriate.

xxvii Generally if complex payment terms are to be included, consider giving a practical example to avoid any uncertainty as the intention of the clause. If "Net Receipts" are not to be included, then insert 0% or delete the clause – and (in either case) consider whether the definition of "Net Sales Value" needs revision to include sales by sub-licensees.

xxviii This clause is optional and usually only found when an RPO licenses a spin-out company.

xxix This provides a minimum annual royalty and is a good incentive for the Licensee to diligently promote sales of the licensed product. This value needs to be considered carefully so as to incentivise the licensee based on realistic market conditions. It may need to be varied at different times during the term of the licence agreement.

xxx Please note that this clause is in square brackets, as if the deal does not involve royalty based payments, it should be deleted.

xxxi Insert the RPO's bank and bank account details.

xxxii Please note that this clause is in square brackets, as if the deal does not involve royalty based payments, it should be deleted.

xxxiii Please note that this clause is in square brackets, as if the deal does not involve royalty based payments, it should be deleted.

xxxiv This is intended to avoid having the RPO learn confidential information of the licensee that it doesn't need.

xxxv Where the inaccuracy in the royalty statement is more than 5%, the Licensee will have to rectify the error and pay the accountant's fees.

xxxvi If the RPO is reasonably of the view that the Licensee is not using Diligent and Reasonable Efforts to develop and commercially exploit Licensed Products, then the RPO may refer the questions in clause 6.3 to an independent expert. This mechanism is designed to provide a relatively inexpensive, quick, unaggressive but authoritative means of determining whether a licensee has been diligent in exploiting the licence. Experts, as distinct from arbitrators, are usually chosen to decide technical questions that do not require a full judicial process. In general, an expert's decision is not made subject to appeal to the courts. The notion is that the expert supplements the agreement between the parties.

A possible alternative to referral to an expert, is referral to arbitration using an 'expedited procedure'. For example, the American Arbitration Association model rules for arbitration anticipate that an expedited procedure may be used in certain situations. The advantage of using a procedure such as referral to an expert or expedited arbitration may be that costs and delays are reduced. But of course 'quick and dirty' procedures do not always give the best result. These ideas are being put forward for your consideration, and not as a perfect solution in all cases.

xxxvii The terms of this clause have been designed to be suitable as a starting point for discussion where an exclusive licence is being granted. If a non-exclusive licence is being granted, the RPO may wish to include different terms here. For example, in clause 7.1, giving rights to the licensee to sue infringers is something that the RPO will want to consider carefully in any licence agreement and is unlikely to want to include in a non-exclusive licence agreement.

xxxviii The RPO and Licensee should discuss what actions to take to deal with infringements.

xxxix It is obviously a commercial question as to which party can or must take action. It is therefore best to address these issues in the licence agreement.

xl This issue can lead to heated debate in licence negotiations. From a licensor's perspective, if the licensee is awarded damages by a court (or settles before the case reaches court), those damages are intended to compensate the licensee for its revenue lost because a third party, rather than the licensee, has sold the products covered by the licensed software (or at least this is one of theories behind damages). If the licensee had generated that revenue from the sale of licensed products or from sub-licensing, the licensor would have been entitled to a share of the revenue (i.e. if a royalty is payable on net sales or on net receipts). Therefore the licensor should also be entitled to a share of the damages. Some licensees argue that the licensor should contribute to the costs of the litigation against the infringer, and receive a corresponding share of the damages (e.g. if it pays 50% of the litigation costs, it gets 50% of the damages). Sometimes one view or the other wins on this issue. Occasionally, a compromise is accepted, e.g. a royalty is paid at the lower rate applicable to net sales rather than the (usually) higher rate applicable to net receipts.

xli In some jurisdictions, the licensee may not have the necessary legal standing to sue infringers in its own name, and may need to make the RPO, as owner of the IP rights in the RPO Software, an additional claimant/plaintiff.

xlii The parties must notify each other promptly if there is any infringement of third party IP rights. Some licensees seek an indemnity from the licensor against claims of infringement by third parties. However, most licensors generally would not be willing to give such an indemnity. Usually, a licensee is willing to accept amendments to the fee structure to deal with this.

xliii This is a relatively light set of warranties such as those that a RPO licensor might be willing to give. However, although relatively light, the RPO should not give the warranties without carrying out the necessary due diligence. As mentioned above, this template has been put together on the basis that the RPO is the owner of any IP rights that subsist in the RPO Software – i.e. this template assumes that no third party software (including for example third party open source software) has been incorporated in the RPO Software. If the RPO Software incorporates any third party software (including for example third party open source software), these warranties should not be given (i.e. as the RPO would not be the proprietor of all of the copyright that subsists in the RPO Software in these circumstances). For further information about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xliv The licence granted in (clause 2.1 of) this agreement is a licence to "use the RPO Software". However, in terms of IP rights, the source and object code of the software is most likely to be protected by copyright. This explains the phrasing of the warranty here. If required, see the accompanying Practical Guide entitled "Introduction to Software Licence Agreements" for more information.

xlv This warranty is only appropriate if granting an exclusive licence to use the RPO Software.

xlvi Although wording of this kind will generally be considered useful, it cannot be guaranteed to exclude terms implied by law. As to which terms will be implied by law, the answer will depend on which country's laws govern the contract. For example, under Irish law, few terms are generally implied into an intellectual property licence agreement other than certain rights which may be implied in relation to the software, for example under the Sale of Goods and Supply of Services Act 1980. Under some continental European countries' laws, more terms may be implied – e.g. as to validity of the licensed IP, suing infringers, providing improvements and assistance to the licensee, etc.

xlvii The RPO is <u>not</u> guaranteeing that use of the RPO Software or manufacture/sale/use of any Licensed Products will not infringe a third party's intellectual property rights.

xlviii An important issue with any indemnity is whether it applies only to third-party claims or also to inter-party claims. Generally, indemnities are more suited to third-party claims, and they are often not needed for inter-party claims (e.g. for breach of warranty), where they are usually intended to strengthen the indemnified party's position beyond that which it would have under the general law of contract. This topic raises complex legal issues (which may vary between jurisdictions) on which specialist advice should be sought.

xlix The licensee gives the RPO an indemnity for any third party Claims due to Licensee's use of the RPO Software and/or dealings with the Licensed Products.

l The list of clauses set out in this sub-clause will require careful checking as the rounds of drafting progress.

li Please note that this clause is in square brackets, as if the deal does not involve royalty based payments, it should be deleted.

lii It is important to consider the application of Article 101(1) of the Treaty on the Functioning of the European Union (TFEU) and Section 4(1) of the Competition Act 2002 (as amended), and the potential impact of the Technology Transfer Block Exemption Regulation (TTBER) when using this Model Exclusive Software Licence Agreement. It may be advisable to seek specific competition law advice in relation to software licenced using this template agreement. See the section which provides further detail in the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

liii Some agreements include a long list of force majeure events. If there are particular issues that might be relevant in the licensee's territory, e.g. civil war, it may be worth including specific mention of these.

liv This sentence seeks to avoid assignments by a liquidator.

lv Complete with the fax numbers to which notices about the licence agreement should be sent.

Model End User Software Licence Agreements

Model End User Software Licence Agreement – Signed Version

Dated _____20[●]

43

(2) [*Full legal name of the Licensor*]

and

(2) [*Full legal name of the End User*]

MODEL END USER SOFTWARE LICENCE AGREEMENT – SIGNED VERSION

MODEL END USER SOFTWARE LICENCE AGREEMENT – SIGNED VERSION[i ii iii iv]

This **Agreement** dated _____ 20[●][v] is between:

(1)   [●] (the "**Licensor**"), [a company incorporated in [●] under registration number [●] *OR* an academic institution incorporated *or* established under [statute *or* charter in Ireland],] whose [principal place of business *or* registered office] is at [●][vi]; and

(2)   [●] (the "**End User**"), [a company incorporated in [●] under registration number [●],] whose [principal place of business *or* registered office] is at [●][vii].

The Licensor and the End User together shall be referred to as the "**Parties**" and individually shall be referred to as a "**Party**".

Background:

The Licensor is willing to licence the Software to the End User on the condition that the End User accepts and complies with all of the provisions of this End User Software Licence Agreement (the "**EULA**").

The Parties agree as follows:

1.   Definitions

1.1.   *Definitions*. Unless otherwise provided in the main body of this EULA, capitalised terms shall have the meaning given to them in the attached Exhibit A, which forms part of this EULA as if set out here.

2.   Licence

2.1.   *Provision of the Software.* Promptly following execution of this EULA by both Parties, the Licensor shall make available to the End User one (1) copy of the Software on a CD and/or via the internet.[viii]

2.2.   *Licence.* Subject to the provisions of this EULA, the Licensor grants to the End User a non-transferable, non-sub-licensable, and non-exclusive licence to use, solely in the Field and solely in object code form, the Software.

2.3.   *Reservation of rights.* Except for the licence explicitly granted by Clause 2.2, the Licensor reserves all its rights. The End User acknowledges and agrees that the End User is licensed to use the Software only in accordance with the express provisions of this EULA and not further or otherwise.

2.4.   *No support, etc.* Unless otherwise agreed by the Parties in writing, the Licensor shall have no obligation to upgrade, update, bug-fix, to provide support or maintenance services, or to provide assistance or consultancy services in relation to the Software.

3.   Use, etc.

3.1.   *Restrictions.* Except to the extent permitted by applicable mandatory law, the End User shall not: (a) copy or reproduce the Software; (b) merge the Software with any other software; (c) translate, adapt, vary, or modify the Software; or (d) disassemble, decompile, or reverse engineer the Software, or otherwise attempt to derive the source code of the Software.

3.2.   *Further restrictions.* The End User shall not: (a) provide, disclose, demonstrate, or otherwise make available the Software to any third party; or (b) use the Software to provide any services or training for any third party; or (c) sell, lease, rent, transfer, hire-out, license, sub-license, assign, distribute, publish, charge, pledge, encumber, commercially exploit, or otherwise deal with the Software, or have any software written or developed that is based on or derived from the Software.

3.3.   *Obligations.* The End User shall at all times: (a) effect and maintain adequate security measures to safeguard the Software from unauthorised access, use, and disclosure; (b) supervise and control

access to and use of the Software in accordance with the provisions of this EULA; (c) provide the Licensor from time to time on request with contact details for the person responsible for supervising and controlling such access and use; and (d) ensure that the Software is at all times clearly labelled as the property of the Licensor. The provisions of this Clause 3.3 are without prejudice to the provisions of Clause 6.1.

4. Payment[ix]

4.1. *Licence Fee*. The End User shall pay to the Licensor the Licence Fee in accordance with the payment schedule set out in the attached Exhibit B.

4.2. *Payment terms*. All payments due under this EULA:

(a) are exclusive of Value Added Tax, which where applicable shall be paid by the End User to the Licensor in addition at the rate and in the manner prescribed by applicable law;

(b) shall be paid by the End User in [*insert currency*] in cash by transferring an amount in aggregate to the following bank account: account number [●]; sort code [●]; account name [●], held with [*insert name and address of bank*][x]; and

(c) shall be paid in full by the End User by the relevant due date, failing which the Licensor may (without prejudice to any other right or remedy the Licensor may have) charge interest on any outstanding amount on a daily basis at an annual rate equivalent to [●]% ([●] per cent) above the [●] base lending rate then in force in [●][xi].

5. Confidential Information

5.1. *Confidentiality obligations*. As between the Parties, all Confidential Information belongs to the Licensor. At all times during the term of this EULA and at all times subsequently, the End User shall: (a) maintain all Confidential Information securely and in the strictest confidence and shall respect the Licensor's rights therein; (b) not disclose or otherwise make available any Confidential Information to any third party; and (c) not use any Confidential Information for any purpose, except for the purpose of using the Software in accordance with the provisions of this EULA.

5.2. *Exceptions to obligations*. The provisions of Clause 5.1 shall not apply to Confidential Information which the End User can demonstrate by reasonable, written evidence: (a) is subsequently disclosed to the End User without any obligations of confidence by a third party who has not derived it directly or indirectly from the Licensor; or (b) is or becomes generally available to the public through no act or default of the End User or its agents, employees, or affiliates.

5.3. *Disclosure to employees, etc*. The End User shall procure that all its employees and other personnel who have access to any Confidential Information shall: (a) be made aware of, and subject to the obligations, set out in Clause 5.1; and (b) have entered into written undertakings of confidentiality and non-use which are at least as restrictive as Clause 5.1 and Clause 5.2 and which apply to the Confidential Information.

5.4. *Return of Confidential Information*. Upon any termination of this EULA for any reason, the End User shall: (a) return to the Licensor any documents and other materials that contain any Confidential Information including all copies made, except for one (1) copy as may be necessary to be retained for the purpose of compliance with any continuing obligations under this EULA; and (b) make no further use, copy, or disclosure thereof.

6. Acknowledgements, disclaimers, etc.

6.1. *Acknowledgements*. The End User acknowledges and agrees that software in general is not error-free and agrees that the existence of any errors in the Software shall not constitute a breach of this EULA by the Licensor.

6.2. *Obligation to correct material errors*. If the End User discovers a material error in the functionality of the Software which substantially affects the End User's use of the Software and the End User notifies the Licensor of such material error in writing within [●][xii] days of the date of this EULA, the

Licensor shall use reasonable endeavours to correct, by patch or new release (at the Licensor's option), that part of the Software which is affected by such material error.

6.3. *Further support*. If the End User requires any further support and/or maintenance services in respect of the Software, the End User shall notify the Licensor in writing and the Parties may discuss the possibility of entering into a support agreement.

6.4. *No such obligation in certain circumstances*. The Licensor's obligations under Clause 6.2 shall be excluded in the following circumstances: (a) following wilful damage to the Software or negligence in its use; (b) where the Software has not been used, maintained, and/or stored in accordance with any instructions or recommendations given by the Licensor or in accordance with the provisions of this EULA; (c) where the problem arises from software not supplied by the Licensor; (d) where the Software is used other than in the correct configuration; and/or (e) following any unauthorised use of or modification to the Software.

6.5. *Viruses, etc*. The Licensor does not warrant that the Software supplied under this EULA shall be free from all viruses. The End User acknowledges and agrees that it is solely the End User's responsibility to conduct appropriate virus scanning of the Software prior to installation and use.

6.6. *Possible charges*. Where a defect in the Software is found upon investigation not to be the Licensor's responsibility, the Licensor reserves the right to charge the End User on a time and materials basis at the Licensor's then current rates for all time, costs, and expenses incurred by the Licensor in consequence of such investigation.

6.7. *No implied warranties, etc*. The express undertakings and warranties given by the Licensor in this EULA are in lieu of all other warranties, conditions, terms, undertakings and obligations, whether express or implied by statute, common law, custom, trade usage, course of dealing or in any other way, including any implied warranty of merchantability, satisfactory quality or fitness for any particular purpose. All of these are excluded to the fullest extent permitted by applicable law. Without limiting the scope of the preceding sentences, the Licensor gives no warranty or guarantee that the Software will meet the End User's requirements, that the use of the Software will be un-interrupted, or that any errors and/or defects in the Software can or will be corrected.[xiii]

6.8. *Indemnity*. The End User shall indemnify the Licensor from and against any and all losses, damages, claims, demands, liabilities, costs, and expenses of any nature whatsoever that may be asserted against or suffered by the Licensor and which relate to: (a) any use by the End User of the Software; and/or (b) the development, manufacture, use, supply, or any other dealing in any products or services that were generated from the use of the Software, including any claims based on product liability laws.

6.9. *Limit of liability*. The cumulative maximum liability of the Licensor to the End User under or in connection with this EULA, irrespective of the basis of the claim (whether in contract, tort, negligence, or otherwise), shall be limited in accordance with the provisions of this Clause 6.9:

(a) The Licensor does not seek to exclude or limit liability where such exclusion or limitation is precluded from applicable law, including any liability that may arise in respect of (i) death or personal injury resulting from the Licensor's negligence, or (ii) fraud.

(b) Subject to the rest of the provisions of this Clause 6.9, the cumulative liability of the Licensor in respect of any and all claims made under or in connection with this EULA shall not exceed an amount that is equal to [●][xiv].

(c) Subject to Clause 6.9(a), the Licensor shall in no circumstances be liable for any type of special, indirect or consequential loss, for any loss of profit, revenue, or anticipated saving, lost, incorrect or spoilt data, loss of use, loss of contracts with third parties, loss of business or loss of goodwill, even if such loss was reasonably foreseeable or the Licensor had been advised of the possibility of the same arising.

7. Duration and termination

7.1. Commencement and termination. This EULA, and the licence granted hereunder, shall come into effect on the Start Date and shall continue in force unless and until terminated in accordance with

Clause 7.2 or Clause 7.3.

7.2. *Termination by either party*. Either Party may terminate this EULA, and the licence granted hereunder, at any time by notice in writing to the other Party (the "**Other Party**"), such termination to take effect as specified in the notice:

    (a)   if the Other Party is in material or persistent breach of any provision of this EULA and, in the case of a breach capable of remedy within [●] days, the breach is not remedied within [●] days of the Other Party receiving notice specifying the breach and requiring its remedy[xv]; or

    (b)   if (i) the Other Party becomes insolvent or unable to pay its debts as and when they become due; or (ii) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); or (iii) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; or (iv) the Other Party makes any composition with its creditors; or (v) the Other Party ceases to continue its business; or (vi) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action in any jurisdiction.

7.3. *Further rights of the Licensor to terminate*.

    (a)   The Licensor may terminate this EULA, and the licence granted hereunder, at any time by notice in writing to the End User, such termination to take effect as specified in the notice, if the End User fails to pay any amount due under this EULA by the relevant due date.

    (b)   In addition, this EULA, and the licence granted hereunder, shall terminate automatically if the Licensor's licence in respect of the Software is terminated for any reason. In such circumstances, the Licensor shall give prompt written notice thereof to the End User.

7.4. *Consequences of termination*. In the event of any termination of this EULA for any reason:

    (a)   any licence granted by the Licensor under this EULA shall automatically terminate without further notice, and the End User shall make no further use of, or carry out any other activity in relation to, the Software; and

    (b)   any instalments of the Licence Fee due to be paid after the date of termination shall forthwith become due and payable by the End User, and the Licensor shall be under no obligation to reimburse the whole or any part of the Licence Fee.

7.5. *Accrued rights*. Termination of this EULA for any reason shall not affect the rights and obligations of the Parties accrued before termination, including any right to claim damages. The rights and obligations of the Parties set out in Clauses 5, 6.8, 6.9, 7.4, 7.5, and 8[xvi] shall survive any termination of this EULA for any reason.

8.   **General**[xvii]

8.1. *Amendments*. This EULA may only be amended in writing signed by duly authorised representatives of the Licensor and the End User.

8.2. *Invalid clauses*. If any provision or part of this EULA is held to be invalid, amendments to this EULA may be made by the addition or deletion of wording as appropriate to remove the invalid part or provision but otherwise retain the provision and the other provisions of this EULA to the maximum extent permissible under applicable law.

8.3. *No agency*. Nothing in this EULA shall create, evidence, or imply any agency, partnership, or joint venture between the Parties. Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf.

8.4. *Interpretation*. In this EULA:

    (a)   references to persons include incorporated and unincorporated persons and references to the singular include the plural and vice versa;

(b) references to Clauses and Exhibits mean clauses of, and exhibits to, this EULA;

(c) references in this EULA to termination include termination by expiry; and

(d) where the word "including" is used it means "including without limitation".

8.5. *Notices.*

(a) Any notice to be given under this EULA shall be in writing and shall be sent by post, or by fax (confirmed by post) to the address of the relevant Party set out at the head of this EULA, or to the relevant fax number set out below, or such other address or fax number as that Party may from time to time notify to the other Party in accordance with this Clause 8.5. The fax numbers of the Parties are as follows[xviii]: The Licensor – [●]; the End User – [●].

(b) Notices sent as above shall be deemed to have been received three (3) working days after the day of posting, or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

8.6. *Governing law and jurisdiction.* The validity, construction, and performance of this EULA shall be governed by and construed in accordance with the laws of the Republic of Ireland and shall be subject to the exclusive jurisdiction of the courts of the Republic of Ireland to which the Parties hereby submit.

8.7. *No use of names, etc.* Neither Party shall use the names, marks, trade names, trade marks, crests, logos, or registered images of the other Party without that Party's prior written consent.

8.8. *Entire agreement.* This EULA, including the attached Exhibits, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral and written agreements, arrangements, or understandings between them relating to such subject matter.

8.9. *Counterparts.* This EULA may be executed in any number of counterparts, each of which shall be an original and shall together constitute one and the same agreement.

Agreed by the Parties through their authorised signatories:

For and on behalf of
[*Full legal name of the Licensor*]

For and on behalf of
[*Full legal name of the End User*]

_____
Signed

_____
Signed

_____
Print name

_____
Print name

_____
Job title

_____
Job title

_____
Date

_____
Date

Exhibit A

Definitions[xix]

Confidential Information	The Software, and all information, data, drawings, designs, specifications, documentation, and other items (in any form whatsoever) which the Licensor may (directly or indirectly) disclose or otherwise make available to the End User during the course of or in anticipation of this EULA.
Field	The End User's own internal business purposes relating to [●] only[xx].
Licence Fee	[●], [exclusive of VAT].
Software	[*Insert description*].
Start Date	*[The date on which the Parties sign this EULA, or if they sign on different dates, the date on which the last Party signs this EULA] OR [insert specific date].*

Exhibit B[xxi]

Payment schedule

The End User shall pay the Licence Fee to the Licensor as follows:

On or before each date referred to in the table below, the End User shall pay to the Licensor the amount set out next to such date in full and in cash.

Amount due to the Licensor from the End User [(exclusive of VAT)]	Due Date
[●]	[●]
[●]	[●]
[●]	[●]

Drafting Notes

i Sometimes where software is licensed, the licensee is an end user of the software rather than a developer or someone who is seeking to sell or licence it to others. This Model End User Software Licence Agreement template is a set of end user software licence terms. If appropriate, it can be inserted into the relevant schedule in the Model Exclusive Software Licence Agreement template, i.e. as under the Model Exclusive Software Licence Agreement template, the licensee is required to ensure that its customers agree to be bound by the terms of an end user licence agreement to be attached as a schedule to the Model Exclusive Software Licence Agreement template. However, as it has been structured as a standalone agreement, it also forms a separate agreement in its own right.

This Model End User Software Licence Agreement template may sometimes be thought too detailed to be included in the schedule to the Model Exclusive Software Licence Agreement template and may be cut down as appropriate, or sometimes exclusive licensees will want to use their own form of end user software licence agreement and insert this into the schedule instead. In such circumstances, one of the key things to check is that the relevant restrictions in the Model Exclusive Software Licence Agreement template are flowed through into the end user software licence agreement – e.g. the restrictions in clause 3 of the Model Exclusive Software Licence Agreement template in particular.

This Model End User Software Licence Agreement template has been included in the suite of software licence agreement templates in two forms. Firstly, this Model End User Software Licence Agreement template has been included in the form in which it appears in this document, namely a conventional, standalone agreement form which assumes that the parties will complete the missing details and sign. Secondly, this Model End User Software Licence Agreement template has also been included in a form which assumes that the end user will download the Software from a website and accept the terms by clicking on an "I accept" button. If the Licensor is expecting payment from the End User, it is recommended that this form of the Model End User Software Licence Agreement template (i.e. the standalone version with signature blocks) is used. For further details about software licence agreements the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

ii Users of this document should note that the authors have not drafted it to take account of the individual requirements or formalities of Irish RPOs which might apply or need to be satisfied to bind the institution to the agreement. Users are advised to seek out and address, by additional provisions, any peculiarities or requirements of a relevant institution.

iii Users of this document are advised that the authors have not drafted it to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language and to contain other features imposed by consumer-specific laws which are not dealt with in this template agreement.

iv Users of this Model End User Software Licence Agreement should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the user should seek specialist advice when required.

v This should be the date on which the last party signed, and should be inserted by the last signatory, on that date.

vi Insert the full name of the Licensor, the statute or charter under which it was incorporated or established, and its registered/principal address.

vii Insert the full name of the End User and its address. This Model End User Software Licence Agreement has been designed for use with a corporate end user.

viii This Model End User Software Licence Agreement has not been designed to make software available as a service.

ix Users of this Model End User Software Licence Agreement are advised that it has not been prepared with regard to any tax law, treatment or policy, and that it may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing this agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

x The missing currency and bank account details should be completed.

xi The missing interest information should be completed.

xii The appropriate number of days should be completed here.

xiii Users of this Model End User Software Licence Agreement should note that, notwithstanding this disclaimer, certain implied rights may apply in relation to the software, for example under the Sale of Goods and Supply of Services Act 1980.

xiv The appropriate amount should be stated here. If further guidance is required, the user should refer to the KTI Practical Guide on Legal Issues in Contracts with Research Performing Organisations.

xv To be completed with the relevant number of days.

xvi These clause references will need to be kept under review as the rounds of negotiation progress.

xvii Parties may wish to seek advice whether the agreement raises any competition law issues, e.g. under Article 101(1) of the Treaty on the Functioning of the European Union (TFEU), Section 4(1) of the Competition Act 2002 (as amended), or the Technology Transfer Block Exemption Regulation (TTBER). For further information, see the section which provides further detail in the accompanying Practical Guide entitled "Introduction to Software Licence Agreement".

xviii Complete with the fax numbers to which notices about the EULA should be sent.

xix The missing definitions should be completed as appropriate.

xx The missing field information should be completed here. The field is sometimes a technical definition and the user should seek input from technical colleagues as appropriate.

xxi The payment schedule should be completed as appropriate.

Model End User Software Licence Agreement – Website Version

52

MODEL END USER SOFTWARE LICENCE AGREEMENT – WEBSITE VERSION i ii iii iv v vi

This End User Software Licence Agreement (the "**EULA**") is a contract between the user of the Software (the "**End User**")vii and [●] (the "**Licensor**"), [a company incorporated in [●] under registration number [●] *OR* an academic institution incorporated *or* established under [statute *or* charter in Ireland],] whose [principal place of business *or* registered office] is at [●]viii.The Licensor and the End User together shall be referred to as the "**Parties**" and individually shall be referred to as a "**Party**".

Please read this EULA carefully. By installing or using the Software, the End User accepts all of the terms and conditions set out in this EULA. If the End User does not wish to be legally bound by the terms and conditions of this EULA, do not install or use the Software.

The Parties agree as follows:

1 Definitions

1.1 *Definitions.* Unless otherwise provided in the main body of this EULA, capitalised terms shall have the meaning given to them in the attached Exhibit A, which forms part of this EULA as if set out here.

2 Licence

2.1 *Licence.* Subject to the provisions of this EULA, the Licensor grants to the End User a non-transferable, non-sub-licensable, and non-exclusive licence to use, solely in the Field and solely in object code form, the Software.ix

2.2 *Reservation of rights.* Except for the licence explicitly granted by Clause 2.2, the Licensor reserves all its rights. The End User acknowledges and agrees that the End User is licensed to use the Software only in accordance with the express provisions of this EULA and not further or otherwise.

2.3 *No support, etc.* Unless otherwise agreed by the Parties in writing, the Licensor shall have no obligation to upgrade, update, bug-fix, to provide support or maintenance services, or to provide assistance or consultancy services in relation to the Software.

3 Use, etc.

3.1 *Restrictions.* Except to the extent permitted by applicable mandatory law, the End User shall not: (a) copy or reproduce the Software; (b) merge the Software with any other software; (c) translate, adapt, vary, or modify the Software; or (d) disassemble, decompile, or reverse engineer the Software, or otherwise attempt to derive the source code of the Software.

3.2 *Further restrictions.* The End User shall not: (a) provide, disclose, demonstrate, or otherwise make available the Software to any third party; or (b) use the Software to provide any services or training for any third party; or (c) sell, lease, rent, transfer, hire-out, license, sub-license, assign, distribute, publish, charge, pledge, encumber, commercially exploit, or otherwise deal with the Software, or have any software written or developed that is based on or derived from the Software.

3.3 *Obligations.* The End User shall at all times: (a) effect and maintain adequate security measures to safeguard the Software from unauthorised access, use, and disclosure; (b) supervise and control access to and use of the Software in accordance with the provisions of this EULA; (c) provide the Licensor from time to time on request with contact details for the person responsible for supervising and controlling such access and use; and (d) ensure that the Software is at all times clearly labelled as the property of the Licensor. The provisions of this Clause 3.3 are without prejudice to the provisions of Clause 6.1.

4 Payment[x] [xi]

4.1 *Licence Fee.* The End User shall pay to the Licensor the Licence Fee in accordance with the payment schedule set out in the attached Exhibit B.

4.2 *Payment terms.* All payments due under this EULA:

(a) are exclusive of Value Added Tax, which where applicable shall be paid by the End User to the Licensor in addition at the rate and in the manner prescribed by applicable law;

(b) shall be paid by the End User in [insert currency] in cash by transferring an amount in aggregate to the following bank account: account number [●]; sort code [●]; account name [●], held with [insert name and address of bank][xii]; and

(c) shall be paid in full by the End User by the relevant due date, failing which the Licensor may (without prejudice to any other right or remedy the Licensor may have) charge interest on any outstanding amount on a daily basis at an annual rate equivalent to [●] per cent ([●]%) above the [●] base lending rate then in force in [●][xiii].

5 Confidential Information

5.1 *Confidentiality obligations.* As between the Parties, all Confidential Information belongs to the Licensor. At all times during the term of this EULA and at all times subsequently, the End User shall: (a) maintain all Confidential Information securely and in the strictest confidence and shall respect the Licensor's rights therein; (b) not disclose or otherwise make available any Confidential Information to any third party; and (c) not use any Confidential Information for any purpose, except for the purpose of using the Software in accordance with the provisions of this EULA.

5.2 *Exceptions to obligations.* The provisions of Clause 5.1 shall not apply to Confidential Information which the End User can demonstrate by reasonable, written evidence: (a) is subsequently disclosed to the End User without any obligations of confidence by a third party who has not derived it directly or indirectly from the Licensor; or (b) is or becomes generally available to the public through no act or default of the End User or its agents, employees, or affiliates.

5.3 *Disclosure to employees, etc.* The End User shall procure that all its employees and other personnel who have access to any Confidential Information: (a) shall be made aware of, and subject to the obligations, set out in Clause 5.1; and (b) shall have entered into written undertakings of confidentiality and non-use which are at least as restrictive as Clause 5.1 and Clause 5.2 and which apply to the Confidential Information.

5.4 *Return of Confidential Information.* Upon any termination of this EULA for any reason, the End User shall: (a) return to the Licensor any documents and other materials that contain any Confidential Information including all copies made, except for one (1) copy as may be necessary to be retained for the purpose of compliance with any continuing obligations under this EULA; and (b) make no further use, copy, or disclosure thereof.

6 Acknowledgements, disclaimers, etc.

6.1 *Acknowledgements.* The End User acknowledges and agrees that software in general is not error-free and agrees that the existence of any errors in the Software shall not constitute a breach of this EULA by the Licensor.

6.2 *Obligation to correct material errors, etc.* If the End User discovers a material error in the functionality of the Software which substantially affects the End User's use of the Software and the End User notifies the Licensor of such material error in writing within [●][xiv] days of the date of this EULA, the Licensor shall use reasonable endeavours to correct, by patch or new release (at the Licensor's option), that part of the Software which is affected by such material error.

6.3 *Further support.* If the End User requires any further support and/or maintenance services in respect of the Software, the End User shall notify the Licensor in writing and the Parties may discuss the possibility of entering into a support agreement.

6.4 *No such obligation in certain circumstances.* The Licensor's obligations under Clause 6.2 shall be excluded in the following circumstances: (a) following wilful damage to the Software or negligence in its use; (b) where the Software has not been used, maintained, and/or stored in accordance with any instructions or recommendations given by the Licensor or in accordance with the provisions of this EULA; (c) where the problem arises from software not supplied by the Licensor; (d) where the Software is used other than in the correct configuration; and/or (e) following any unauthorised use of or modification to the Software.

6.5 *Viruses, etc.* The Licensor does not warrant that the Software supplied under this EULA shall be free from all viruses. The End User acknowledges and agrees that it is solely the End User's responsibility to conduct appropriate virus scanning of the Software prior to installation and use.

6.6 *Possible charges.* Where a defect in the Software is found upon investigation not to be the Licensor's responsibility, the Licensor reserves the right to charge the End User on a time and materials basis at the Licensor's then current rates for all time, costs, and expenses incurred by the Licensor in consequence of such investigation.

6.7 *No implied warranties, etc.* The express undertakings and warranties given by the Licensor in this EULA are in lieu of all other warranties, conditions, terms, undertakings and obligations, whether express or implied by statute, common law, custom, trade usage, course of dealing or in any other way, including any implied warranty of merchantability, satisfactory quality, fitness for any particular purpose. All of these are excluded to the fullest extent permitted by applicable law. Without limiting the scope of the preceding sentences, the Licensor gives no warranty or guarantee that the Software will meet the End User's requirements, that the use of the Software will be un-interrupted, or that any errors and/or defects in the Software can or will be corrected[xv].

6.8 *Indemnity.* The End User shall indemnify the Licensor from and against any and all losses, damages, claims, demands, liabilities, costs, and expenses of any nature whatsoever that may be asserted against or suffered by the Licensor and which relate to: (a) any use by the End User of the Software; and/or (b) the development, manufacture, use, supply, or any other dealing in any products or services that were generated from the use of the Software, including any claims based on product liability laws.

6.9 *Limit of liability.* The cumulative maximum liability of the Licensor to the End User under or in connection with this EULA, irrespective of the basis of the claim (whether in contract, tort, negligence, or otherwise), shall be limited in accordance with the provisions of this Clause 6.9:

(a) The Licensor does not seek to exclude or limit liability where such exclusion or limitation is precluded from applicable law, including any liability that may arise in respect of (i) death or personal injury resulting from the Licensor's negligence, or (ii) fraud.

(b) Subject to the rest of the provisions of this Clause 6.9, the cumulative liability of the Licensor in respect of any and all claims made under or in connection with this EULA shall not exceed an amount that is equal to [●][xvi].

(c) Subject to Clause 6.9(a), the Licensor shall in no circumstances be liable for any type of special, indirect or consequential loss, for any loss of profit, revenue, or anticipated saving, lost, incorrect or spoilt data, loss of use, loss of contracts with third parties, loss of business or loss of goodwill, even if such loss was reasonably foreseeable or the Licensor had been advised of the possibility of the same arising.

7   Duration and termination

7.1   *Commencement and termination.* This EULA, and the licence granted hereunder, shall come into effect on the Start Date and shall continue in force unless and until terminated in accordance with Clause 7.2 or Clause 7.3.

7.2   *Termination by either party.* Either Party may terminate this EULA, and the licence granted hereunder, at any time by notice in writing to the other Party (the "**Other Party**"), such termination to take effect as specified in the notice:

(a)   if the Other Party is in material or persistent breach of any provision of this EULA and, in the case of a breach capable of remedy within [*insert*] days, the breach is not remedied within [*insert*] days of the Other Party receiving notice specifying the breach and requiring its remedy[xvii]; or

(b)   if (i) the Other Party becomes insolvent or unable to pay its debts as and when they become due; or (ii) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); or (iii) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; or (iv) the Other Party makes any composition with its creditors; or (v) the Other Party ceases to continue its business; or (vi) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action in any jurisdiction.

7.3   *Further rights of the Licensor to terminate.*

(a)   The Licensor may terminate this EULA, and the licence granted hereunder, at any time by notice in writing to the End User, such termination to take effect as specified in the notice, if the End User fails to pay any amount due under this EULA by the relevant due date.

(b)   In addition, this EULA, and the licence granted hereunder, shall terminate automatically if the Licensor's licence in respect of the Software is terminated for any reason. In such circumstances, the Licensor shall give prompt written notice thereof to the End User.

7.4   *Consequences of termination.* In the event of any termination of this EULA for any reason:

(a)   any licence granted by the Licensor under this EULA shall automatically terminate without further notice, and the End User shall make no further use of, or carry out any other activity in relation to, the Software; and

(b)   any instalments of the Licence Fee due to be paid after the date of termination shall forthwith become due and payable by the End User, and the Licensor shall be under no obligation to reimburse the whole or any part of the Licence Fee.

7.5   *Accrued rights.* Termination of this EULA for any reason shall not affect the rights and obligations of the Parties accrued before termination, including any right to claim damages. The rights and obligations of the Parties set out in Clauses 5, 6.8, 6.9, 7.4, 7.5, and 8[xviii] shall survive any termination of this EULA for any reason.

8   General[xix]

8.1   *Amendments.* This EULA may only be amended in writing signed by duly authorised representatives of the Licensor and the End User.

8.2   *Invalid clauses.* If any provision or part of this EULA is held to be invalid, amendments to this EULA may be made by the addition or deletion of wording as appropriate to remove the invalid part or provision but otherwise retain the provision and the other provisions of this EULA to the maximum extent permissible under applicable law.

8.3   *No agency.* Nothing in this EULA shall create, evidence, or imply any agency, partnership, or joint venture between the Parties. Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf.

8.4   *Interpretation.* In this EULA:
(a)   references to persons include incorporated and unincorporated persons and references to the singular include the plural and vice versa;

(b)   references to Clauses and Exhibits mean clauses of, and exhibits to, this EULA;

(c)   references in this EULA to termination include termination by expiry; and

(d)   where the word "including" is used it means "including without limitation".

8.5   *Governing law and jurisdiction.* The validity, construction, and performance of this EULA shall be governed by and construed in accordance with the laws of the Republic of Ireland and shall be subject to the exclusive jurisdiction of the courts of the Republic of Ireland to which the Parties hereby submit.

8.6   *No use of names, etc.* Neither Party shall use the names, marks, trade names, trade marks, crests, logos, or registered images of the other Party without that Party's prior written consent.

8.7   *Entire agreement.* This EULA, including the attached Exhibits, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral and written agreements, arrangements, or understandings between them relating to such subject matter.

Exhibit A

Definitions[xx]

Confidential Information	The Software, and all information, data, drawings, designs, specifications, documentation, and other items (in any form whatsoever) which the Licensor may (directly or indirectly) disclose or otherwise make available to the End User during the course of or in anticipation of this EULA.
Field	The End User's own internal business purposes relating to [●] only[xxi].
Licence Fee	[●], [exclusive of VAT].
Software	[*Insert description*].
Start Date	[*Insert specific date*].

Exhibit B[xxii]

Payment schedule

The End User shall pay the Licence Fee to the Licensor as follows:

On or before each date referred to in the table below, the End User shall pay to the Licensor the amount set out next to such date in full and in cash.

Amount due to the Licensor from the End User [(exclusive of VAT)]	Due Date
[●]	[●]
[●]	[●]
[●]	[●]

Drafting notes

ⁱ Sometimes where software is licensed, the licensee is an end user of the software rather than a developer or someone who is seeking to sell or licence it to others. This Model End User Software Licence Agreement template is a set of end user software licence terms. If appropriate, it can be inserted into the relevant schedule in the Model Exclusive Software Licence Agreement template, i.e. as under the Model Exclusive Software Licence Agreement template, the licensee is required to ensure that its customers agree to be bound by the terms of the end user licence agreement to be attached as a schedule to the Model Exclusive Software Licence Agreement template.

This Model End User Software Licence Agreement template may sometimes be thought too detailed to be included in the schedule to the Model Exclusive Software Licence Agreement template and may be cut down as appropriate, or sometimes exclusive licensees will want to use their own form of end user software licence agreement and insert this into the schedule instead. In such circumstances, one of the key things to check is that the relevant restrictions in the Model Exclusive Software Licence Agreement template are flowed through into the end user software licence agreement – e.g. the restrictions in clause 3 of the Model Exclusive Software Licence Agreement template in particular.

This Model End User Software Licence Agreement template has been included in the suite of software licence agreement templates in two forms. Firstly, this Model End User Software Licence Agreement template has been included in the form in which it appears in this document, which assumes that the end user will download the Software from a website and accept the terms by clicking on an "I accept" button. Secondly, this Model End User Software Licence Agreement template has also been included in a more conventional standalone agreement form, which assumes that the parties will complete the missing details and sign. If the Licensor is expecting payment from the End User, it is strongly recommended that the standalone form of the Model End User Software Licence Agreement template (i.e. the version with signature blocks) is used.

ⁱⁱ As mentioned above, the form of this Model End User Software Licence Agreement template assumes that the Software will be downloaded from a website and that the end user will click on an "I accept" button. The following notice should appear on the computer screen with an "I accept" button (see the next endnote) as soon as the end user tries to load or access the Software, such that the end user will be unable to load or access the Software without first clicking on the "I accept" button. The reader should note that it is absolutely essential that the end user cannot load or access the Software without first clicking on the "I accept" button and that a copy of the Model End User Software Licence Agreement template appears with this notice. The notice wording is as follows:

"© [insert year] [insert full name of the licensor] ALL RIGHTS RESERVED

You may not install, use, store, sell, licence, transfer, copy, reproduce, or otherwise deal in or access the software, whether in whole or in part in any manner or form or in or on any media, except in accordance with the terms and conditions of the end user licence agreement that appears with this notice".

ⁱⁱⁱ Some wording is also needed to appear next to the "I accept" button. In general, there are two main approaches that can be taken with this. Firstly, the end user can simply be required to click on the "I accept" button in order to load or access the Software. Alternatively, the end user can be required to provide certain information in such a way that this information can be collected by the licensee. The second approach is more protective of the licensor's interests and is accordingly the approach taken with the below wording:

"*I, [insert full name], an authorised representative of [insert full name of commercial entity] of [insert full address of entity], acknowledge that I have read and understood the terms and conditions of the end user licence agreement. I hereby accept the terms and conditions of the end user licence agreement on behalf of [insert name of corporate entity]. In accepting the terms and conditions on behalf of [insert name of corporate entity], I acknowledge that I am duly authorised to do so*."

^{iv} Users of this document should note that the authors have not drafted it to take account of the individual requirements of Irish RPOs which might apply. Users are advised to seek out and address, by additional provisions, any peculiarities or requirements of a relevant institution.

^v Users of this document are advised that the authors have not drafted it to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language and to contain other features imposed by consumer-specific laws which are not dealt with in this template agreement.

^{vi} Users of this Model End User Software Licence Agreement should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the user should seek specialist advice when required.

^{vii} This Model End User Software Licence Agreement has been designed for use with a corporate end user.

^{ix} This Model End User Software Licence Agreement has not been designed to make software available as a service.

^x Users of this Model End User Software Licence Agreement are advised that it has not been prepared with regard to any tax law, treatment or policy, and that it may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing this agreement.

^{xi} This clause has been left in this template for consistency between the two versions of the Model End User Software Licence Agreements. However, if the licensor is expecting payments from the End User, it is strongly recommended that the conventional, standalone agreement form is used (i.e. which requires the End User to sign the agreement).

^{xii} The missing bank account details should be completed here.

xiii The missing interest details should be completed here.

xiv The appropriate number of days should be completed here.

xv Users should note that, notwithstanding this disclaimer, certain implied rights may apply in relation to the software, for example under the Sale of Goods and Supply of Services Act 1980.

xvi To be completed with an appropriate amount. For guidance as to what might be an appropriate amount, see the KTI Practical Guide on Legal Issues in Contracts with Research Performing Organisations.

xvii To be completed with the appropriate number of days.

xviii These clause references will need to be kept under review as the rounds of negotiation progress.

xix Parties may wish to seek advice whether the licence agreement raises any competition law issues, e.g. under Article 101(1) of the Treaty on the Functioning of the European Union (TFEU), Section 4(1) of the Competition Act 2002 (as amended), or the Technology Transfer Block Exemption Regulation (TTBER). For further information, see the section which provides further detail in the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xx The missing definitions should be completed as appropriate.

xxi The missing field information should be completed here. The field is sometimes a technical definition and the user should seek input from technical colleagues as appropriate.

xxii The payment schedule should be completed as appropriate.

Model Non-Exclusive Software Licence Agreements

Model Non-Exclusive Software Licence Agreements

Model Non-Exclusive Software Licence Agreement (Fee Bearing, No Royalties)

62

Dated _____20[●]

(3) [*Full legal name of the RPO*]

and

(2) [*Full legal name of the Licensee*]

MODEL NON-EXCLUSIVE SOFTWARE LICENCE AGREEMENT (FEE BEARING, NO ROYALTIES)

MODEL NON-EXCLUSIVE SOFTWARE LICENCE AGREEMENT (FEE BEARING, NO ROYALTIES)[i ii iii iv]

This Agreement dated _____ 20[●][v] is between:

(1)   [●] (the "**RPO**"), [an academic institution incorporated *or* established under [statute *or* charter in Ireland,] whose [principal address *or* registered office] is at [●][vi]; and

(2)   **[●] [LIMITED][INC]** (the "**Licensee**"), [a company incorporated in [●] under registration number [●],] whose [principal place of business *or* registered office] is at [●][vii].

Background:

A.   The RPO has developed the RPO Software.

B.   The Licensee wishes to acquire rights to use the RPO Software in the Field and in the Territory, all in accordance with the provisions of this Agreement.

The Parties agree as follows:

1   Definitions

1.1   *Definitions.* In this Agreement, the following words shall have the following meanings:

Affiliate	In relation to a Party, means any person that Controls, is Controlled by, or is under common Control with that Party.
Bribery Event	A breach by a Party and/or its Affiliates and/or their respective officers, directors, employees and representatives of the Prevention of Corruption Acts 1889 to 2010[viii] and/or any corresponding anti-corruption legislation in the Territory.
Claims	All demands, claims and liability (whether criminal or civil, in contract, tort (including negligence) or otherwise) for losses, damages, legal costs and other expenses of any nature whatsoever and all costs and expenses (including legal costs) incurred in connection therewith.
Commencement Date	[●][ix].

Confidential Information	(c) The RPO Software; and
	(d) All other technical or commercial information that:
	    (i) in respect of information provided in documentary form or by way of a model or in other tangible form, at the time of provision is marked or otherwise designated to show expressly or by necessary implication that it is imparted in confidence; and
	    (ii) in respect of information that is imparted orally, any information that the Disclosing Party or its representatives informed the Receiving Party at the time of disclosure was imparted in confidence; and
	    (iii) any copy of any of the foregoing.

Control	Direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that Party, as the case may be.
Developed Products and Services	Has the meaning given in Clause 2.1.
Disclosing Party	Has the meaning given in Clause 3.

Field	The area of [●]ˣ.
Parties	The RPO and the Licensee, and "**Party**" shall mean either of them.
Principal Investigator	[●]ˣⁱ.
Receiving Party	Has the meaning given in Clause 3.
RPO Software	The software described in Schedule 1, together with any documentation described in Schedule 1 and any other information the RPO may provide to the Licensee in relation to such software and documentation.
Territory	[●]ˣⁱⁱ ˣⁱⁱⁱ.

2 Grant of rights

2.1 *Licence.* The RPO hereby grants to the Licensee, subject to the provisions of this Agreement, a non-transferable and non-exclusiveˣⁱᵛ licence to use the RPO Software solely to develop, sell, and supply products and services (together, the "**Developed Products and Services**") in the Field and in the Territory only. The Licensee shall not use the RPO Software for any purpose except as expressly licensed hereby and in accordance with the provisions of this Agreement.

2.2 *Sub-licensing.* The Licensee shall not be entitled to grant sub-licences of its rights under this Agreement, except with the prior written consent of the RPO, which consent shall not be unreasonably withheld.

2.3 *Reservation of rights.*

(a) Except for the licence expressly granted by Clause 2, the RPO reserves all its rights. Without limiting the scope of the preceding sentence, the RPO grants no rights to any intellectual property other than any intellectual property rights that subsist in the RPO Software and reserves all rights outside the Field.

(b) As the licence granted in Clause 2 is non-exclusive, the Licensee acknowledges and agrees that this Agreement places no restriction on the RPO's activities with respect to the RPO Software. Without limiting the scope of the preceding sentence, the RPO reserves for itself and its Affiliates the irrevocable, worldwide, and royalty-free right to use the whole or any part of the RPO Software for any and all purposes, whether commercial or non-commercial and whether in or out of the Field. For the avoidance of doubt, and without limitation, such purposes shall include the purposes of research, teaching and publication.

2.4 *Supply of the RPO Software.*

(a) Within fourteen (14) days of the Commencement Date, the RPO shall provide the Licensee with a single copy of the RPO Software. The Licensee acknowledges and agrees that no other documentation, manuals or other written information shall be provided to it by the RPO other than the RPO Softwareˣᵛ.

(b) Except as expressly permitted by this Agreement, the Licensee shall not modify, adapt, disassemble, reverse engineer, decompile, translate, or otherwise attempt to discover the source code of any of the RPO Software solely made available to the Licensee in object code form or permit any of these things to happen, except as expressly allowed by applicable, mandatory law governing the rights of software licensees.

(c) The RPO Software is provided 'as is' and, without prejudice to the generality of Clause 8, the RPO shall not have any obligations to upgrade, bug-fix, provide support or maintenance services, or provide any information, assistance or consultancy in relation to the RPO Software.

(d)   The Parties may enter into a further written agreement under which the RPO (through the Principal Investigator) would provide consultancy services to the Licensee in relation to the further development or support and maintenance of the RPO Software. Any such agreement: (i) would be on the terms of the RPO's standard consultancy agreement, or such other terms as the Parties may agree in writing; and (ii) must be signed by authorised representatives of each Party.

2.5   *Quality.* The Licensee shall ensure that all Developed Products and Services are of satisfactory quality and comply with all applicable laws and regulations in each part of the Territory.

3   Confidentiality

3.1   *Confidentiality obligations.* Each Party (the "**Receiving Party**") undertakes   from the Commencement Date:

(a)   to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party (the "**Disclosing Party**") in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;

(b)   to use such Confidential Information only for the purposes of this Agreement;

(c)   to disclose such Confidential Information only to those of its employees and contractors to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and

(d)   to ensure that all those to whom disclosure of or access to such Confidential Information has been given, including its officers, directors, employees and professional advisors, comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by any of the foregoing.

3.2   *Exceptions to obligations.* The provisions of Clause 3.1 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

(a)   was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or

(b)   is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or

(c)   is independently developed by the Receiving Party by individuals who have not had any direct or indirect access to the Disclosing Party's Confidential Information; or

(d)   is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, or Affiliates.

3.3   *Disclosure in accordance with legal obligations.* To the extent that the Receiving Party is required to disclose any of the Disclosing Party's Confidential Information by order of a court or other public body that has jurisdiction over it or under other legal obligations, such as under a *bona fide* freedom of information request[xvi], it may do so, provided that, before making such a disclosure the Receiving Party shall, unless the circumstances prohibit:

(a)   inform the Disclosing Party of the proposed disclosure as soon as possible, in any event, no later than five (5) working days after becoming aware of the proposed disclosure; and

(b)   permit the Disclosing Party to make representations (written or otherwise) in respect of the disclosure and/or confidential treatment of the Confidential Information.

4   Payments^{xvii}

4.1   *Initial payment*. Within thirty (30) days of the Commencement Date, the Licensee shall pay to the RPO the non-refundable, non-deductible lump-sum of [●] Euro (€[●])^{xviii}.

4.2   *Annual licence fees^{xix}*. On each anniversary of the Commencement Date (or such other date(s) as may be agreed to by the Parties in writing), the Licensee shall pay to the RPO the annual licence fee of [●] Euro (€[●]).

4.3   *Payment terms.* All sums due under this Agreement:

(a)   are exclusive of Value Added Tax which where applicable will be paid by the Licensee to the RPO in addition;

(b)   shall be paid in Euro in cash by transferring an amount in aggregate to the following account number [●], sort code [●], account name [●], held with [●] Bank plc, [address]^{xx}; and

(c)   shall be made by the due date, failing which the RPO may charge interest on any outstanding amount on a daily basis at an annual rate equivalent to [●] per cent ([●]%) above the [●] Bank plc base lending rate then in force in [Dublin].

5   Intellectual property

5.1   *Infringement of the RPO Software^{xxi}.*

(a)   Each Party shall inform the other Party promptly if it becomes aware of any infringement or potential infringement of any intellectual property rights that subsist in the RPO Software in the Field, and the Parties shall consult with each other to decide the best way to respond to such infringement.

(b)   If the alleged infringement is both within and outside the Field, the Parties shall also co-operate with the RPO's other licensees (if any) in relation to any such action.

(c)   Notwithstanding any other provision, the RPO shall have the exclusive right to determine whether or not any litigation shall be instituted or other action taken in connection with any infringement or potential infringement of any intellectual property rights that subsist in the RPO Software. The Licensee shall not institute any litigation or other action in relation to any such infringement or potential infringement except with the RPO's prior written agreement.

5.2   *Infringement of third party rights^{xxii}.*

(a)   If any warning letter or other notice of infringement is received by a Party, or legal suit or other action is brought against a Party, alleging infringement of third party rights in the manufacture, use or sale of any Developed Products and Services or in the use of the RPO Software, that Party shall promptly provide full details to the other Party, and the Parties shall discuss the best way to respond.

(b)   The Licensee shall not make any admissions in relation to such allegations, except with the prior written agreement of the RPO. Unless otherwise agreed in writing by the Parties, the RPO shall have the exclusive right to conduct any proceedings relating to the RPO Software, including any proceedings relating to the alleged infringement of third party rights in the use of the RPO Software.

6   Warranties and liability

6.1   *Warranties by RPO^{xxiii}*. The RPO warrants and undertakes as follows:

(a)   Subject to Clause (b), it is the proprietor of any copyright^{xxiv} that subsists in the RPO Software; and

(b) It has not done, and shall not do nor agree to do during the continuation of this Agreement, any of the following things if to do so would be inconsistent with the exercise by the Licensee of the rights granted to it under this Agreement, namely: assigned, mortgaged, charged, or otherwise transferred any copyright that subsists in the RPO Software in the Field in the Territory or (subject to Clause (b)) any of its rights or obligations under this Agreement.

6.2 *Acknowledgements.* The Licensee acknowledges and agrees that:

(a) the RPO Software is at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information or other items (together "**Delivered Items**") provided under this Agreement are provided 'as is' and without any express or implied warranties, representations or undertakings. As examples, but without limiting the foregoing, the RPO does not give any warranty that Delivered Items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, nor are free from bugs, errors, viruses, or other harmful elements; and

(b) the RPO has not performed any searches or investigations into the existence of any third party rights that may affect the RPO Software.

6.3 *No other warranties.*

(a) Each of the Licensee and the RPO acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law[xxv].

(b) Without limiting the scope of Clause 1.1(a), the RPO does not make any representation nor give any warranty or undertaking:

(i) as to the scope, efficacy or usefulness of the RPO Software; or

(ii) that the use of the RPO Software, the manufacture, sale or use of the Developed Products and Services or the exercise of any of the rights granted under this Agreement will not infringe any intellectual property or other rights of any other person[xxvi]; or

(iii) that the RPO Software and any other information communicated by the RPO to the Licensee under or in connection with this Agreement will produce Developed Products and Services of satisfactory quality or fit for the purpose for which the Licensee intended or that any product will not have any latent or other defects, whether or not discoverable; or

(iv) as imposing any obligation on the RPO to bring or prosecute actions or proceedings against third parties for infringement of any intellectual property rights that subsist in the RPO Software.

6.4 *Indemnity[xxvii].* The Licensee shall indemnify the RPO against all third party Claims[xxviii] that may be asserted against or suffered by the RPO and which relate to:

(a) the use by the Licensee of the RPO Software;

(b) the development, manufacture, use, marketing or sale of, or any other dealing in, any of the Developed Products and Services, by the Licensee, or by any other person, including claims based on product liability laws; or

(c) a breach by the Licensee of any laws or regulations in the Territory, including any Bribery Event.

6.5   *Conditions for the indemnity.* If the RPO seeks indemnification pursuant to Clause 8.4, the RPO shall provide prompt written notice to the Licensee of the initiation of any action or proceeding that may reasonably lead to a claim for indemnification. Upon receipt of such notice, the Licensee shall have the right to assume the defence and settlement of such action or proceeding, provided that it shall not settle any action or proceeding without the RPO's prior written consent. The RPO and the Licensee shall co-operate with each other in the defence of such claim.

6.6   *Liability of the Parties.*

(a)   To the extent that either of the Parties has any liability in contract, tort (including negligence), or otherwise under or in connection with this Agreement, including any liability for breach of warranty, their liability shall be limited in accordance with the following provisions of this Clause 6.6. However, the limitations and exclusions of liability set out in this Clause 6.6 shall not apply to any indemnity against third party Claims given under Clause 8.4.

(b)   The aggregate liability of the RPO shall be limited to an amount equal to the total income that the RPO has received from the Licensee during the period of [●] years preceding the date on which the liability arises, or [●], whichever is the higher.

(c)   In no circumstances shall either Party be liable for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other Party or its Affiliates that is (a) of an indirect, special or consequential nature or (b) any loss of profits, revenue, data, business opportunity or goodwill.

(d)   Notwithstanding any other provision, nothing in this Agreement excludes any person's liability to the extent that it may not be so excluded under applicable law, including any such liability for death or personal injury caused by that person's negligence, or liability for fraud.

6.7   *Insurance.* Without limiting its liabilities under this Agreement, the Licensee shall take out with a reputable insurance company and maintain at all times during the term of this Agreement public, professional and product liability insurance including against all loss of and damage to property (whether real, personal or intellectual) and injury to persons including death arising out of or in connection with this Agreement and the Licensee's use of the RPO Software and use, sale of or any other dealing in any of the Developed Products and Services. Such insurances may be limited in respect of one claim provided that such limit must be at least six million five hundred thousand Euro (€6,500,000). Product and professional liability insurance shall continue to be maintained by the Licensee for a further six (6) years from the end of the term of this Agreement.

7   Duration and Termination

7.1   *Commencement and Termination by Expiry.* This Agreement, and the licence granted hereunder, shall come into effect on the Commencement Date and, unless terminated earlier in accordance with this Clause 9, shall continue in force until the [[tenth (10th)] anniversary of the [Commencement Date] *or* [the [tenth (10th)] anniversary of the first commercial sale of any Developed Products and Services in any Territory]. On such date, this Agreement and the licence granted hereunder shall terminate automatically by expiry.

7.2   *Early termination.*

(a)   The Licensee may terminate this Agreement at any time on [twelve (12) months'] notice in writing to the RPO.

(b)   Either Party may terminate this Agreement at any time by notice in writing to the other Party (the "**Other Party**"), such termination to take effect as specified in the notice:

(i)   if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy within ninety (90) days, the breach is not remedied within ninety

       (90) days of the Other Party receiving notice specifying the breach and requiring its remedy; or

  (ii)   if: (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due; (B) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); (C) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; (D) the Other Party makes any composition with its creditors; (E) the Other Party ceases to continue its business; or (F) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action.

(c)   The RPO may terminate this Agreement by giving written notice to the Licensee, such termination to take effect forthwith or as otherwise stated in the notice:

  (i)   if the Licensee fails to pay any amount due under this Agreement by the relevant due date; or

  (ii)   [if there is any change of Control of the Licensee; or]

  (iii)   if a Bribery Event occurs in relation to the Licensee, any of its Affiliates or their respective officers, directors, employees and representatives.

(d)   A Party's right of termination under this Agreement, and the exercise of any such right, shall be without prejudice to any other right or remedy (including any right to claim damages) that such Party may have in the event of a breach of contract or other default by the other Party.

7.3   *Consequences of termination.*

(a)   Upon termination of this Agreement for any reason otherwise than in accordance with Clause 9.1:

  (i)   the Licensee shall be entitled to sell, use or otherwise dispose of any unsold or unused stocks of the Developed Products and Services for a period of six (6) months following the date of termination;

  (ii)   subject to paragraph (i) above, the Licensee shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the RPO Software, in so far and for as long as any intellectual property rights that subsist in the RPO Software remain in force;

  (iii)   each Party shall return to the other or, at the other Party's request, destroy any documents or other materials that are in its possession or under its control and that contain the other Party's Confidential Information; and

  (iv)   subject as provided in this Clause 9.4, and except in respect of any accrued rights, neither Party shall be under any further obligation to the other.

(b)   Upon termination of this Agreement for any reason the provisions of Clauses[xxix] [3, 8.4, 6.5, 6.6, 8.7, 9.4 and 10] shall remain in force.

8   General[xxx]

8.1   *Force majeure.* Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement that result from circumstances beyond the reasonable control of that Party[xxxi], including labour disputes involving that Party. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

8.2   *Amendment.* This Agreement may only be amended in writing signed by duly authorised representatives of the RPO and the Licensee.

8.3   *Assignment.*

(a)   Subject to Clause 1.1(b), neither Party shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement, nor any of the RPO Software, without the prior written consent of the other Party.

(b)   Either Party may assign all its rights and obligations under this Agreement together with its rights in the RPO Software to any person to which it transfers all or substantially all of its assets or business [in the Field], provided that the assignee undertakes to the other Party to be bound by and perform the obligations of the assignor under this Agreement. However a Party shall not have such a right to assign this Agreement if it is insolvent[xxxii] or any other circumstance described in Clause (ii) applies to it.

8.4   *Waiver.* No failure or delay on the part of either Party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

8.5   *Invalid clauses.* If any provision or part of this Agreement is held to be invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law.

8.6   *No agency.* Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf.

8.7   *Interpretation.* In this Agreement:

(a)   the headings are used for convenience only and shall not affect its interpretation;

(b)   references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine and vice versa;

(c)   references to Clauses and Schedules mean clauses of, and schedules to, this Agreement;

(d)   references in this Agreement to termination shall include termination by expiry; and

(e)   where the word "including" is used it shall be understood as meaning "including without limitation".

8.8   *Notices.*

(a)   Any notice to be given under this Agreement shall be in writing and shall be sent by post, or by fax (confirmed by post) to the address of the relevant Party set out at the head of this Agreement, or to the relevant fax number set out below, or such other address or fax number as that Party may from time to time notify to the other Party in accordance with this Clause 10.8. The fax numbers of the Parties are as follows[xxxiii]: the RPO – [●]; the Licensee – [●].

(b)   Notices sent as above shall be deemed to have been received three (3) working days after the day of posting, or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

8.9 *Law and jurisdiction.*

(a) This Agreement shall be governed by and construed in accordance with the laws of the Republic of Ireland and each Party agrees to submit to the exclusive jurisdiction of the courts of the Republic of Ireland.

(b) Notwithstanding Clause 8.9(a), before commencing any litigation, each Party shall consider in good faith whether it would be reasonable in the circumstances for the Parties to agree to pursue any alternative dispute resolution processes. Such alternative processes may include internal escalation procedures and/or mediation in accordance with the WIPO mediation rules. For the avoidance of doubt, however, nothing in this Agreement shall prevent or delay a Party from seeking an interim injunction.

8.10 *Further action.* Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

8.11 *Announcements.* Neither Party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other Party in connection with or in consequence of this Agreement, without the prior written consent of the other Party.

8.12 *Entire agreement.* This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter. Subject to Clause (d), the Parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement.

8.13 *Export Control Regulations.*

(a) "**Export Control Regulations**" mean any United Nations trade sanctions, Irish, or EU legislation or regulation, from time to time in force, which impose arms embargoes or control the export of goods, technology or software, including weapons of mass destruction and arms, military, paramilitary and security equipment and dual-use items (items designed for civil use but which can be used for military purposes) and certain drugs and chemicals.

(b) The Licensee shall ensure that, in exercising its rights pursuant to this Agreement including in using the RPO Software and in selling Developed Products and Services, it shall not and nor shall its or its Affiliates employees or sub-contractors breach or compromise, directly or indirectly, compliance with any Export Control Regulations.

Agreed by the Parties through their authorised signatories:

For and on behalf of
[Full legal name of the RPO]

For and on behalf of
[Full legal name of the Licensee]

_____
Signed

_____
Signed

_____
Print name

_____
Print name

_____
Title

_____
Title

_____
Date

_____
Date

Schedule 1

The RPO Software

[*Insert a description of the software to be licensed, including: specifying whether object or source code will be made available; whether any particular version of the software will be made available; and a description of any documentation, other information and resources (such as a CD-ROM) to be made available.*]

Drafting notes

i This is a non-exclusive software licence agreement, containing provisions that are appropriate for when granting a non-exclusive licence to software for commercial purposes. For consistency between the documents in the suite of templates, this template is based on the Model Exclusive Software Licence Agreement template but has had some non-essential provisions removed. Although this template is considerably shorter than the Model Exclusive Software Licence Agreement template, in some situations it still may be thought to be too detailed and can be cut-down further where appropriate.

One of the assumptions that was made when this template was put together was that the RPO is the owner of any intellectual property rights that subsist in the RPO Software – i.e. this template has been put together on the basis that no third party software (including for example third party open source software) has been incorporated in the RPO Software. Before concluding any licensing deal, the RPO should undertake due diligence to ascertain whether or not this is the case and therefore whether or not this template is a suitable starting point for the deal in question. For example, if the RPO discovers that third party open source software has been incorporated into the RPO Software, certain amendments will need to be made to the template. For further details about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

ii Users of this document should note that the authors have not drafted it to take account of the individual requirements of Irish RPOs which might apply. Users are advised to seek out and address, by additional provisions, any peculiarities or requirements of a relevant institution.

iii Users of this document are advised that the authors have not drafted it to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language and to contain other features imposed by consumer-specific laws which are not dealt with in this template agreement.

iv Users of this Model Non-Exclusive Software Licence Agreement should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the user should seek specialist advice when required.

v This should be the date on which the last party signed, and should be inserted by the last signatory, on that date.

vi Insert the full name of the RPO, the statute or charter under which it was incorporated or established, and its registered/principal address. Individual RPOs will have their own legal formalities which will need to be completed to bind the RPO.

vii Insert the full name of company (or other entity) and its principal place of business. This Model Non-Exclusive Software Licence Agreement has been designed for use with a commercial licensee.

viii The user should note that a new piece of legislation relevant to this definition is anticipated – i.e. the Criminal Justice (Corruption) Bill (to be the Criminal Justice (Corruption) Act on implementation). At the time of writing, there is no definite timescale for bringing the Criminal Justice (Corruption) Bill into effect, although it is expected to come into effect in late 2015 but this is not guaranteed. The expected citation is the Corruption Act 2015 and it is expected to replace the Prevention of Corruption Acts 1889 to 2010. Until such time as the Criminal Justice (Corruption) Bill is brought into effect, however, the present citation should be used in this definition.

ix Insert the date on which the licence agreement is to commence. This can be a date before, on, or after the date on which the licence agreement is signed.

x Inclusion of this definition assumes that the licence will be limited to a particular technical field. Technical definitions such as those for the "Field", "RPO Software", "Developed Products" and "Services", etc. may require input from scientific colleagues to ensure they are clear, accurate, and unambiguous, and do not overlap with any other licences that have been granted to the same technology.

xi Insert the full name and title of the relevant academic.

xii List the countries in which the licensee can manufacture and/or sell/supply the developed products and services. General definitions such as "Europe" should be avoided – for example, it is not clear whether Europe includes Turkey, Russia, etc. In some situations a list of countries may be appropriate. For western Europe a definition such as members of the EU or EFTA (European Free Trade Association) may be suitable – the latter grouping includes Switzerland and Norway which are not members of the EU. Also consider whether the definition should be frozen, i.e. members of the EU at the date of the agreement and not future members.

xiii Where this document is adapted to be used to govern the performance of obligations in a jurisdiction outside of the Republic of Ireland, users should note that their ability to enforce the rights and obligations set out here may be subject to the laws of that jurisdiction and that local legal advice may need to be sought.

xiv This grants a non-exclusive licence.

xv This Model Non-Exclusive Software Licence Agreement is not designed to make software available as a service.

xvi This covers, for example, disclosures required by a stock exchange on which a party's shares are listed. Sometimes parties prefer to say this more explicitly. It also includes freedom of information requests.

xvii Users of this Model Non-Exclusive Software Licence Agreement are advised that it has not been prepared with regard to any tax law, treatment or policy, and that it may be advisable to get specific tax advice in relation to any tax issue or treatment which

might arise as a result of performing or implementing this agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter

xviii The amount to be paid to the RPO for entering into the licence agreement.

xix This can be a fixed fee that is paid annually to maintain the licence.

xx Insert the RPO's bank and bank account details.

xxi The RPO and licensee should discuss what actions to take to deal with infringements.

xxii The parties must notify each other promptly if there is any infringement of third party intellectual property rights. Some licensees seek an indemnity from the licensor against claims of infringement by third parties. However, most licensors generally would not be willing to give such an indemnity. Usually, a licensee is willing to accept amendments to the fee structure to deal with this.

xxiii This is a relatively light set of warranties such as those that an RPO licensor might be prepared to give. However, although relatively light, the RPO should not give the warranties without carrying out the necessary due diligence. As mentioned above, this template has been put together on the basis that the RPO is the owner of any IP rights that subsist in the RPO Software – i.e. this template assumes that no third party software (including for example third party open source software) has been incorporated into the RPO Software. If the RPO Software incorporates any third party software, these warranties should not be given (i.e. as the RPO would not be the proprietor of all of the copyright that subsists in the RPO Software in these circumstances). For further information about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xxiv The licence granted in (clause 2.1 of) this agreement is a licence to "use the RPO Software". However, in terms of IP rights, the source and object code of the software is most likely to be protected by copyright. This explains the phrasing of the warranty here. If required, see the accompanying Practical Guide entitled "Introduction to Software Licence Agreements" for more information.

xxv Although wording of this kind will generally be considered useful, it cannot be guaranteed to exclude terms implied by law. As to which terms will be implied by law, the answer will depend on which country's laws govern the contract. For example, under Irish law, few terms are generally implied into an intellectual property licence agreement other than certain rights which may be implied in relation to the software, for example under the Sale of Goods and Supply of Services Act 1980. Under some continental European countries' laws, more terms may be implied – e.g. as to validity of the licensed IP, suing infringers, providing improvements and assistance to the licensee, etc.

xxvi The RPO is <u>not</u> guaranteeing that use of the RPO Software or manufacture/sale/use of any developed products and services will not infringe a third party's intellectual property rights.

xxvii An important issue with any indemnity is whether it applies only to third-party claims or also to inter-party claims. Generally, indemnities are more suited to third-party claims, and they are often not needed for inter-party claims (e.g. for breach of warranty), where they are usually intended to strengthen the indemnified party's position beyond that which it would have under the general law of contract. This topic raises complex legal issues (which may vary between jurisdictions) on which specialist advice should be sought.

xxviii The licensee gives the RPO an indemnity for any third party claims due to licensee's use of the RPO Software and/or dealings with the Developed Products and Services.

xxix The list of clauses set out in this sub-clause will require careful checking as the rounds of drafting progress.

xxx Parties may wish to seek advice whether the licence agreement raises any competition law issues, e.g. under Article 101(1) of the Treaty on the Functioning of the European Union (TFEU), Section 4(1) of the Competition Act 2002 (as amended), or the Technology Transfer Block Exemption Regulation (TTBER). For further information, see the section which provides further detail in the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xxxi Some agreements include a long list of force majeure events. If there are particular issues that might be relevant in the licensee's territory, e.g. civil war, it may be worth including specific mention of these.

xxxii This sentence seeks to avoid assignments by a liquidator.

xxxiii Complete with the fax numbers to which notices about the licence agreement should be sent.

Model Non-Exclusive Software Licence Agreement (Fee Bearing and Royalties)

76

Dated _____20[●]

(4) [*Full legal name of the RPO*]

and

(2) [*Full legal name of the Licensee*]

MODEL NON-EXCLUSIVE SOFTWARE LICENCE AGREEMENT (FEE BEARING AND ROYALTIES)

MODEL NON-EXCLUSIVE SOFTWARE LICENCE AGREEMENT (FEE BEARING AND ROYALTIES)[i ii iii iv]

This Agreement dated _____ 20[●][v] is between:

1. [●] (the "**RPO**"), [an academic institution incorporated *or* established under [statute *or* charter in Ireland,] whose [principal address *or* registered office] is at [●][vi]; and

2. **[●] [LIMITED][INC]** (the "**Licensee**") [a company incorporated in [●] under registration number [●],] whose [principal place of business *or* registered office] is at [●][vii].

Background:

A. The RPO has developed the RPO Software.

B. The Licensee wishes to acquire rights to use the RPO Software in the Field and in the Territory, all in accordance with the provisions of this Agreement.

The Parties agree as follows:

1   Definitions

1.1   *Definitions.* In this Agreement, the following words shall have the following meanings:

Affiliate	In relation to a Party, means any person that Controls, is Controlled by, or is under common Control with that Party.
Bribery Event	A breach by a Party and/or its Affiliates and/or their respective officers, directors, employees and representatives of the Prevention of Corruption Acts 1889 to 2010[viii] and/or any corresponding anti-corruption legislation in the Territory.
Claims	All demands, claims and liability (whether criminal or civil, in contract, tort (including negligence) or otherwise) for losses, damages, legal costs and other expenses of any nature whatsoever and all costs and expenses (including legal costs) incurred in connection therewith.
Commencement Date	[●][ix].

Confidential Information	(e) The RPO Software; and
	(f) All other technical or commercial information that:
	   (i) in respect of information provided in documentary form or by way of a model or in other tangible form, at the time of provision is marked or otherwise designated to show expressly or by necessary implication that it is imparted in confidence; and
	   (ii) in respect of information that is imparted orally, any information that the Disclosing Party or its representatives informed the Receiving Party at the time of disclosure was imparted in confidence; and
	   (iii) any copy of any of the foregoing.

Control	Direct or indirect beneficial ownership of 50% (or, outside a Party's home territory, such lesser percentage as is the maximum, permitted level of foreign investment) or more of the share capital, stock or other participating interest carrying the right to vote or to distribution of profits of that Party, as the case may be.
Developed Products and Services	Has the meaning given in Clause 2.1.
Disclosing Party	Has the meaning given in Clause 3.

Field	The area of [●]^x.
Net Sales Value	The invoiced price of Developed Products and Services sold or otherwise supplied by the Licensee or any of its Affiliates to independent third parties in arm's length transactions^xi or, where the sale or other supply is not at arm's length, the price that would have been so invoiced if it had been at arm's length, after deduction of all documented:

(e) normal trade discounts actually granted and any credits actually given for rejected or returned Developed Products and Services;

(f) costs of packaging, insurance, carriage and freight, provided in each case that the amounts are separately charged on the relevant invoice;

(g) Value Added Tax or other sales tax; and

(h) import duties or similar applicable government levies;

provided that such deductions do not exceed reasonable and customary amounts in the markets in which such sales or other supplies occurred^xii. Sales and other supplies between any of the Licensee and its Affiliates shall not be considered for the purposes of this definition unless there is no subsequent sale or other supply to a person who is not the Licensee or its Affiliate.

Parties	The RPO and the Licensee, and "**Party**" shall mean either of them.
Principal Investigator	[●]^xiii.
Receiving Party	Has the meaning given in Clause 3.
RPO Software	The software described in Schedule 1, together with any documentation described in Schedule 1 and any other information the RPO may provide to the Licensee in relation to such software and documentation.
Territory	[●]^xiv xv.

2   Grant of rights

2.1   *Licence.* The RPO hereby grants to the Licensee, subject to the provisions of this Agreement, a non-transferable and non-exclusive^xvi licence to use the RPO Software solely to develop, sell, and supply products and services (together, the "**Developed Products and Services**") in the Field and in the Territory only. The Licensee shall not use the RPO Software for any purpose except as expressly licensed hereby and in accordance with the provisions of this Agreement.

2.2   *Sub-licensing.* The Licensee shall not be entitled to grant sub-licences of its rights under this Agreement, except with the prior written consent of the RPO, which consent shall not be unreasonably withheld.

2.3   *Reservation of rights.*

(a)   Except for the licence expressly granted by Clause 2, the RPO reserves all its rights. Without limiting the scope of the preceding sentence, the RPO grants no rights to any intellectual property other than any intellectual property rights that subsist in the RPO Software and reserves all rights outside the Field.

(b)   As the licence granted in Clause 2 is non-exclusive, the Licensee acknowledges and agrees that this Agreement places no restriction on the RPO's activities with respect to the RPO Software. Without limiting the scope of the preceding sentence, the RPO reserves for itself and its Affiliates the irrevocable, worldwide, and royalty-free right to use the whole or any part of the RPO Software for any and all purposes, whether commercial or non-commercial and whether in or out of the Field. For the avoidance of doubt, and without limitation, such purposes shall include the purposes of research, teaching and publication.

2.4   *Supply of the RPO Software.*

(a)   Within fourteen (14) days of the Commencement Date, the RPO shall provide the Licensee with a single copy of the RPO Software. The Licensee acknowledges and agrees that no other documentation, manuals or other written information shall be provided to it by the RPO other than the RPO Software[xvii].

(b)   Except as expressly permitted by this Agreement, the Licensee shall not modify, adapt, disassemble, reverse engineer, decompile, translate, or otherwise attempt to discover the source code of any of the RPO Software solely made available to the Licensee in object code form or permit any of these things to happen, except as expressly allowed by applicable, mandatory law governing the rights of software licensees.

(c)   The RPO Software is provided 'as is' and, without prejudice to the generality of Clause 8, the RPO shall not have any obligations to upgrade, bug-fix, provide support or maintenance services, or provide any information, assistance or consultancy in relation to the RPO Software.

(d)   The Parties may enter into a further written agreement under which the RPO (through the Principal Investigator) would provide consultancy services to the Licensee in relation to the further development or support and maintenance of the RPO Software. Any such agreement: (i) would be on the terms of the RPO's standard consultancy agreement, or such other terms as the Parties may agree in writing; and (ii) must be signed by authorised representatives of each Party.

2.5   *Quality.* The Licensee shall ensure that all Developed Products and Services are of satisfactory quality and comply with all applicable laws and regulations in each part of the Territory.

3   Confidentiality

3.1   *Confidentiality obligations.* Each Party (the "**Receiving Party**") undertakes   from the Commencement Date:

(a)   to maintain as secret and confidential all Confidential Information obtained directly or indirectly from the other Party (the "**Disclosing Party**") in the course of or in anticipation of this Agreement and to respect the Disclosing Party's rights therein;

(b)   to use such Confidential Information only for the purposes of this Agreement;

(c)   to disclose such Confidential Information only to those of its employees and contractors to whom and to the extent that such disclosure is reasonably necessary for the purposes of this Agreement; and

(d)   to ensure that all those to whom disclosure of or access to such Confidential Information has been given, including its officers, directors, employees and professional advisors, comply with the provisions of this Agreement, and the Receiving Party shall be liable to the Disclosing Party for any breach of this Agreement by any of the foregoing.

3.2   *Exceptions to obligations.* The provisions of Clause 3.1 shall not apply to Confidential Information which the Receiving Party can demonstrate by reasonable, written evidence:

(a)   was, prior to its receipt by the Receiving Party from the Disclosing Party, in the possession of the Receiving Party and at its free disposal; or

(b)   is subsequently disclosed to the Receiving Party without any obligations of confidence by a third party who has not derived it directly or indirectly from the Disclosing Party; or

(c)   is independently developed by the Receiving Party by individuals who have not had any direct or indirect access to the Disclosing Party's Confidential Information; or

(d)   is or becomes generally available to the public through no act or default of the Receiving Party or its agents, employees, or Affiliates.

3.3   *Disclosure in accordance with legal obligations.* To the extent that the Receiving Party is required to disclose any of the Disclosing Party's Confidential Information by order of a court or other public body that has jurisdiction over it or under other legal obligations, such as under a *bona fide* freedom of information request[xviii], it may do so, provided that, before making such a disclosure the Receiving Party shall, unless the circumstances prohibit:

(a)   inform the Disclosing Party of the proposed disclosure as soon as possible, in any event, no later than five (5) working days after becoming aware of the proposed disclosure; and

(b)   permit the Disclosing Party to make representations (written or otherwise) in respect of the disclosure and/or confidential treatment of the Confidential Information.

4   Payments[xix]

4.1   *Initial payment.* Within thirty (30) days of the Commencement Date, the Licensee shall pay to the RPO the non-refundable[, non-deductible] lump-sum of [●] Euro (€[●])[xx][*or* which shall be an advance against royalties due under Clause 4.3].

4.2   *Annual licence fees[xxi].* On each anniversary of the Commencement Date (or such other date(s) as may be agreed to by the Parties in writing), the Licensee shall pay to the RPO the annual licence fee of [●] Euro (€[●]).

4.3   *Royalties on Net Sales Value[xxii].* The Licensee shall pay to the RPO a royalty of [●] per cent ([●]%) of the Net Sales Value of all Developed Products and Services, or any part thereof, sold or otherwise supplied by Licensee or its Affiliates.

4.4   [*Minimum royalties[xxiii].* If the royalties payable under Clause 4.3 are less than [●] Euro (€[●]) ("**Minimum Royalty**") in any calendar year, the Licensee shall pay to the RPO the amount by which such royalties are less than the Minimum Royalty within sixty (60) days of the end of such calendar year, failing which the RPO shall be entitled to terminate this Agreement and all licences granted under this Agreement by notice in writing to the Licensee given at any time after the expiry of the said sixty (60) day period. If this Agreement ends on any day other than the end of a calendar year, the Minimum Royalty due for that year shall be reduced, pro-rata, i.e. the minimum amount due shall be the Minimum Royalty for a complete year multiplied by the number of days of the final calendar year during which this Agreement was in force, and divided by three hundred and sixty five (365) days.]

4.5   *Payment frequency.* Royalties due under this Agreement shall be paid within thirty (30) days of the end of each quarter ending on 31 March, 30 June, 30 September and 31 December, in respect of sales and other supplies of Developed Products and Services made during such quarter and within thirty (30) days of the termination of this Agreement.

4.6   *Payment terms.* All sums due under this Agreement:

(a)   are exclusive of Value Added Tax which where applicable will be paid by the Licensee to the RPO in addition;

(b)   shall be paid in Euro in cash by transferring an amount in aggregate to the following account number [●], sort code [●], account name [●], held with [●] Bank plc, [address][xxiv];

(c)   shall be made without deduction of income tax or other taxes charges or duties that may be imposed, except insofar as the Licensee is required to deduct the same to comply with applicable laws. The Parties shall cooperate and take all steps reasonably and lawfully available to them, at the reasonable expense of the RPO, to avoid deducting such taxes and to obtain double taxation relief. If the Licensee is required to make any such deduction it shall provide the RPO with such certificates or other documents as it can reasonably

obtain to enable the RPO to obtain appropriate relief from double taxation of the payment in question; and

(d)   shall be made by the due date, failing which the RPO may charge interest on any outstanding amount on a daily basis at an annual rate equivalent to [●] per cent ([●]%) above the [●] Bank plc base lending rate then in force in [Dublin].

4.7   *Exchange controls.* If at any time during the continuation of this Agreement the Licensee is prohibited from making any of the payments required hereunder by a governmental authority in any country, then within the prescribed period for making the said payments in the appropriate manner, the Licensee shall use its best endeavours to secure from the proper authority in the relevant country permission to make the said payments and shall make them within seven (7) days of receiving such permission. If such permission is not received within thirty (30) days of the Licensee making a request for such permission then, at the option of the RPO, the Licensee shall deposit the royalty payments due in the currency of the relevant country either in a bank account designated by the RPO within such country, or such royalty payments shall be made to an associated company of the RPO designated by the RPO and having offices in the relevant country designated by the RPO.

4.8   *Royalty statements.* The Licensee shall send to the RPO at the same time as each royalty payment is made in accordance with Clause 4.3 a statement setting out, in respect of each territory or region in which Developed Products and Services are sold or supplied, the types of Developed Products and Services sold or supplied, the quantity of each type sold or supplied, and the total Net Sales Value in respect of each type, expressed both in local currency and Euro and showing the conversion rates used, during the period to which the royalty payment relates.

4.9   *Records.*

(a)   The Licensee shall keep at its normal place of business detailed and up to date records and accounts showing the quantity, description and value of Developed Products and Services sold or otherwise supplied by it, on a country by country basis, and being sufficient to ascertain the payments due under this Agreement.

(b)   The Licensee shall make such records and accounts available, on reasonable notice, for inspection during business hours by an [independent chartered accountant] nominated by the RPO for the purpose of verifying the accuracy of any statement or report given by the Licensee to the RPO under this Clause 4. The [accountant] shall be required to keep confidential all information learnt during any such inspection, and to disclose to the RPO only such details as may be necessary[xxv] to report on the accuracy of the Licensee's statement or report. The RPO shall be responsible for the [accountant's] charges unless the [accountant] certifies that there is an inaccuracy of more than [five per cent (5)%][xxvi] in any royalty statement, in which case the Licensee shall pay his charges in respect of that inspection.

5   Intellectual property

5.1   *Infringement of the RPO Software[xxvii].*

(a)   Each Party shall inform the other Party promptly if it becomes aware of any infringement or potential infringement of any intellectual property rights that subsist in the RPO Software in the Field, and the Parties shall consult with each other to decide the best way to respond to such infringement.

(b)   If the alleged infringement is both within and outside the Field, the Parties shall also co-operate with the RPO's other licensees (if any) in relation to any such action.

(c)   Notwithstanding any other provision, the RPO shall have the exclusive right to determine whether or not any litigation shall be instituted or other action taken in connection with any infringement or potential infringement of any intellectual property rights that subsist in the RPO Software. The Licensee shall not institute any litigation or other action in relation to

any such infringement or potential infringement except with the RPO's prior written agreement.

5.2 *Infringement of third party rights[xxviii].*

(a) If any warning letter or other notice of infringement is received by a Party, or legal suit or other action is brought against a Party, alleging infringement of third party rights in the manufacture, use or sale of any Developed Products and Services or in the use of the RPO Software, that Party shall promptly provide full details to the other Party, and the Parties shall discuss the best way to respond.

(b) The Licensee shall not make any admissions in relation to such allegations, except with the prior written agreement of the RPO. Unless otherwise agreed in writing by the Parties, the RPO shall have the exclusive right to conduct any proceedings relating to the RPO Software, including any proceedings relating to the alleged infringement of third party rights in the use of the RPO Software.

6 Warranties and liability

6.1 *Warranties by RPO[xxix].* The RPO warrants and undertakes as follows:

(a) Subject to Clause (b), it is the proprietor of any copyright[xxx] that subsists in the RPO Software; and

(b) It has not done, and shall not do nor agree to do during the continuation of this Agreement, any of the following things if to do so would be inconsistent with the exercise by the Licensee of the rights granted to it under this Agreement, namely: assigned, mortgaged, charged, or otherwise transferred any copyright that subsists in the RPO Software in the Field in the Territory or (subject to Clause (b)) any of its rights or obligations under this Agreement.

6.2 *Acknowledgements.* The Licensee acknowledges and agrees that:

(a) the RPO Software is at an early stage of development. Accordingly, specific results cannot be guaranteed and any results, materials, information or other items (together "**Delivered Items**") provided under this Agreement are provided 'as is' and without any express or implied warranties, representations or undertakings. As examples, but without limiting the foregoing, the RPO does not give any warranty that Delivered Items are of merchantable or satisfactory quality, are fit for any particular purpose, comply with any sample or description, or are free from bugs, errors, viruses, nor other harmful elements; and

(b) the RPO has not performed any searches or investigations into the existence of any third party rights that may affect the RPO Software.

6.3 *No other warranties.*

(a) Each of the Licensee and the RPO acknowledges that, in entering into this Agreement, it does not do so in reliance on any representation, warranty or other provision except as expressly provided in this Agreement, and any conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law[xxxi].

(b) Without limiting the scope of Clause 1.1(a), the RPO does not make any representation nor give any warranty or undertaking:

(i) as to the scope, efficacy or usefulness of the RPO Software; or

(ii) that the use of the RPO Software, the manufacture, sale or use of the Developed Products and Services or the exercise of any of the rights granted under this

Agreement will not infringe any intellectual property or other rights of any other person[xxxii]; or

(iii) that the RPO Software and any other information communicated by the RPO to the Licensee under or in connection with this Agreement will produce Developed Products and Services of satisfactory quality or fit for the purpose for which the Licensee intended or that any product will not have any latent or other defects, whether or not discoverable; or

(iv) as imposing any obligation on the RPO to bring or prosecute actions or proceedings against third parties for infringement of any intellectual property rights that subsist in the RPO Software.

6.4 *Indemnity[xxxiii]*. The Licensee shall indemnify the RPO against all third party Claims[xxxiv] that may be asserted against or suffered by the RPO and which relate to:

(a) the use by the Licensee of the RPO Software;

(b) the development, manufacture, use, marketing or sale of, or any other dealing in, any of the Developed Products and Services, by the Licensee, or by any other person, including claims based on product liability laws; or

(c) a breach by the Licensee of any laws or regulations in the Territory, including any Bribery Event.

6.5 *Conditions for the indemnity.* If the RPO seeks indemnification pursuant to Clause 8.4, the RPO shall provide prompt written notice to the Licensee of the initiation of any action or proceeding that may reasonably lead to a claim for indemnification. Upon receipt of such notice, the Licensee shall have the right to assume the defence and settlement of such action or proceeding, provided that it shall not settle any action or proceeding without the RPO's prior written consent. The RPO and the Licensee shall co-operate with each other in the defence of such claim.

6.6 *Liability of the Parties.*

(a) To the extent that either of the Parties has any liability in contract, tort (including negligence), or otherwise under or in connection with this Agreement, including any liability for breach of warranty, their liability shall be limited in accordance with the following provisions of this Clause 6.6. However, the limitations and exclusions of liability set out in this Clause 6.6 shall not apply to any indemnity against third party Claims given under Clause 8.4.

(b) The aggregate liability of the RPO shall be limited to an amount equal to the total income that the RPO has received from the Licensee during the period of [●] years preceding the date on which the liability arises, or [●], whichever is the higher.

(c) In no circumstances shall either Party be liable for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other Party or its Affiliates that is (a) of an indirect, special or consequential nature or (b) any loss of profits, revenue, data, business opportunity or goodwill.

(d) Notwithstanding any other provision, nothing in this Agreement excludes any person's liability to the extent that it may not be so excluded under applicable law, including any such liability for death or personal injury caused by that person's negligence, or liability for fraud.

6.7 *Insurance.* Without limiting its liabilities under this Agreement, the Licensee shall take out with a reputable insurance company and maintain at all times during the term of this Agreement public, professional and product liability insurance including against all loss of and damage to property (whether real, personal or intellectual) and injury to persons including death arising out of or in connection with this Agreement and the Licensee's use of the RPO Software and use, sale of or

any other dealing in any of the Developed Products and Services. Such insurances may be limited in respect of one claim provided that such limit must be at least six million five hundred thousand Euro (€6,500,000). Product and professional liability insurance shall continue to be maintained by the Licensee for a further six (6) years from the end of the term of this Agreement.

7   Duration and Termination

7.1   *Commencement and Termination by Expiry.* This Agreement, and the licence granted hereunder, shall come into effect on the Commencement Date and, unless terminated earlier in accordance with this Clause 9, shall continue in force until the [[tenth (10th)] anniversary of the [Commencement Date] *or* [the [tenth (10th)] anniversary of the first commercial sale of any Developed Products and Services in any Territory]. On such date, this Agreement and the licence granted hereunder shall terminate automatically by expiry.

7.2   *Early termination.*

(a)   The Licensee may terminate this Agreement at any time on [twelve (12) months'] notice in writing to the RPO.

(b)   Either Party may terminate this Agreement at any time by notice in writing to the other Party (the "**Other Party**"), such termination to take effect as specified in the notice:

(i)   if the Other Party is in material breach of this Agreement and, in the case of a breach capable of remedy within ninety (90) days, the breach is not remedied within ninety (90) days of the Other Party receiving notice specifying the breach and requiring its remedy; or

(ii)   if: (A) the Other Party becomes insolvent or unable to pay its debts as and when they become due; (B) an order is made or a resolution is passed for the winding up of the Other Party (other than voluntarily for the purpose of solvent amalgamation or reconstruction); (C) a liquidator, examiner, receiver, receiver manager, or trustee is appointed in respect of the whole or any part of the Other Party's assets or business; (D) the Other Party makes any composition with its creditors; (E) the Other Party ceases to continue its business; or (F) as a result of debt and/or maladministration the Other Party takes or suffers any similar or analogous action.

(c)   The RPO may terminate this Agreement by giving written notice to the Licensee, such termination to take effect forthwith or as otherwise stated in the notice:

(i)   if the Licensee fails to pay any amount due under this Agreement by the relevant due date; or

(ii)   [if there is any change of Control of the Licensee; or]

(iii)   if a Bribery Event occurs in relation to the Licensee, any of its Affiliates or their respective officers, directors, employees and representatives.

(d)   A Party's right of termination under this Agreement, and the exercise of any such right, shall be without prejudice to any other right or remedy (including any right to claim damages) that such Party may have in the event of a breach of contract or other default by the other Party.

7.3   *Consequences of termination.*

(a)   Upon termination of this Agreement for any reason otherwise than in accordance with Clause 9.1:

(i)   the Licensee shall be entitled to sell, use or otherwise dispose (subject to the payment of royalties under Clause 5) of any unsold or unused stocks of the

Developed Products and Services for a period of six (6) months following the date of termination;

(ii)   subject to paragraph (i) above, the Licensee shall no longer be licensed to use or otherwise exploit in any way, either directly or indirectly, the RPO Software, in so far and for as long as any intellectual property rights that subsist in the RPO Software remain in force;

(iii)   each Party shall return to the other or, at the other Party's request, destroy any documents or other materials that are in its possession or under its control and that contain the other Party's Confidential Information; and

(iv)   subject as provided in this Clause 9.4, and except in respect of any accrued rights, neither Party shall be under any further obligation to the other.

(b)   Upon termination of this Agreement for any reason the provisions of Clauses[xxxv] [3, 5 (in respect of Net Sales Value generated prior to termination or under Clause 9.4(e)(i)), 8.4, 6.5, 6.6, 8.7, 9.4 and 10] shall remain in force.

8   General[xxxvi]

8.1   *Force majeure.* Neither Party shall have any liability or be deemed to be in breach of this Agreement for any delays or failures in performance of this Agreement that result from circumstances beyond the reasonable control of that Party[xxxvii], including labour disputes involving that Party. The Party affected by such circumstances shall promptly notify the other Party in writing when such circumstances cause a delay or failure in performance and when they cease to do so.

8.2   *Amendment.* This Agreement may only be amended in writing signed by duly authorised representatives of the RPO and the Licensee.

8.3   *Assignment.*

(a)   Subject to Clause 1.1(b), neither Party shall assign, mortgage, charge or otherwise transfer any rights or obligations under this Agreement, nor any of the RPO Software, without the prior written consent of the other Party.

(b)   Either Party may assign all its rights and obligations under this Agreement together with its rights in the RPO Software to any person to which it transfers all or substantially all of its assets or business [in the Field], provided that the assignee undertakes to the other Party to be bound by and perform the obligations of the assignor under this Agreement. However a Party shall not have such a right to assign this Agreement if it is insolvent[xxxviii] or any other circumstance described in Clause (ii) applies to it.

8.4   *Waiver.* No failure or delay on the part of either Party to exercise any right or remedy under this Agreement shall be construed or operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the further exercise of such right or remedy.

8.5   *Invalid clauses.* If any provision or part of this Agreement is held to be invalid, amendments to this Agreement may be made by the addition or deletion of wording as appropriate to remove the invalid part or provision but otherwise retain the provision and the other provisions of this Agreement to the maximum extent permissible under applicable law.

8.6   *No agency.* Neither Party shall act or describe itself as the agent of the other, nor shall it make or represent that it has authority to make any commitments on the other's behalf.

8.7   *Interpretation.* In this Agreement:

(a)   the headings are used for convenience only and shall not affect its interpretation;

(b)   references to persons shall include incorporated and unincorporated persons; references to the singular include the plural and vice versa; and references to the masculine include the feminine and vice versa;

(c)   references to Clauses and Schedules mean clauses of, and schedules to, this Agreement;

(d)   references in this Agreement to termination shall include termination by expiry; and

(e)   where the word "including" is used it shall be understood as meaning "including without limitation".

8.8   *Notices.*

(a)   Any notice to be given under this Agreement shall be in writing and shall be sent by post, or by fax (confirmed by post) to the address of the relevant Party set out at the head of this Agreement, or to the relevant fax number set out below, or such other address or fax number as that Party may from time to time notify to the other Party in accordance with this Clause 10.8. The fax numbers of the Parties are as follows[xxxix]: the RPO – [●]; the Licensee – [●].

(b)   Notices sent as above shall be deemed to have been received three (3) working days after the day of posting, or on the next working day after transmission (in the case of fax messages, but only if a transmission report is generated by the sender's fax machine recording a message from the recipient's fax machine, confirming that the fax was sent to the number indicated above and confirming that all pages were successfully transmitted).

8.9   *Law and jurisdiction.*

(a)   This Agreement shall be governed by and construed in accordance with the laws of the Republic of Ireland and each Party agrees to submit to the exclusive jurisdiction of the courts of the Republic of Ireland.

(b)   Notwithstanding Clause 8.9(a), before commencing any litigation, each Party shall consider in good faith whether it would be reasonable in the circumstances for the Parties to agree to pursue any alternative dispute resolution processes. Such alternative processes may include internal escalation procedures and/or mediation in accordance with the WIPO mediation rules. For the avoidance of doubt, however, nothing in this Agreement shall prevent or delay a Party from seeking an interim injunction.

8.10   *Further action.* Each Party agrees to execute, acknowledge and deliver such further instruments, and do all further similar acts, as may be necessary or appropriate to carry out the purposes and intent of this Agreement.

8.11   *Announcements.* Neither Party shall make any press or other public announcement concerning any aspect of this Agreement, or make any use of the name of the other Party in connection with or in consequence of this Agreement, without the prior written consent of the other Party.

8.12   *Entire agreement.* This Agreement, including its Schedules, sets out the entire agreement between the Parties relating to its subject matter and supersedes all prior oral or written agreements, arrangements or understandings between them relating to such subject matter. Subject to Clause (d), the Parties acknowledge that they are not relying on any representation, agreement, term or condition which is not set out in this Agreement.

8.13   *Export Control Regulations.*

(a)   "**Export Control Regulations**" mean any United Nations trade sanctions, Irish, or EU legislation or regulation, from time to time in force, which impose arms embargoes or control the export of goods, technology or software, including weapons of mass destruction and arms, military, paramilitary and security equipment and dual-use items (items designed for civil use but which can be used for military purposes) and certain drugs and chemicals.

(b)   The Licensee shall ensure that, in exercising its rights pursuant to this Agreement including in using the RPO Software and in selling Developed Products and Services, it shall not and nor shall its or its Affiliates employees or sub-contractors breach or compromise, directly or indirectly, compliance with any Export Control Regulations.

Agreed by the Parties through their authorised signatories:

For and on behalf of
[Full legal name of the RPO]

For and on behalf of
[Full legal name of the Licensee]

_____
Signed

_____
Signed

_____
Print name

_____
Print name

_____
Title

_____
Title

_____
Date

_____
Date

Schedule 1

The RPO Software

[*Insert a description of the software to be licensed, including: specifying whether object or source code will be made available; whether any particular version of the software will be made available; and a description of any documentation, other information and resources (such as a CD-ROM) to be made available.*]

Schedule 1

Drafting Notes

i This is a non-exclusive software licence agreement, containing provisions that are appropriate for when granting a non-exclusive licence to software for commercial purposes. For consistency between the documents in the suite of templates, this template is based on the Model Exclusive Software Licence Agreement template but has had some non-essential provisions removed. Although this template is considerably shorter than the Model Exclusive Software Licence Agreement template, in some situations it still may be thought to be too detailed and can be cut-down further where appropriate.

One of the assumptions that was made when this template was put together was that the RPO is the owner of any intellectual property rights that subsists in the RPO Software – i.e. this template has been put together on the basis that no third party software (including for example third party open source software) has been incorporated in the RPO Software. Before concluding any licensing deal, the RPO should undertake due diligence to ascertain whether or not this is the case and therefore whether or not this template is a suitable starting point for the deal in question. For example, if the RPO discovers that third party open source software has been incorporated into the RPO Software, certain amendments will need to be made to the template. For further details about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

ii Users of this document should note that the authors have not drafted it to take account of the individual requirements of Irish RPOs which might apply. Users are advised to seek out and address, by additional provisions, any peculiarities or requirements of a relevant institution.

iii Users of this document are advised that the authors have not drafted it to be used by or in relation to consumers. Contracts concluded with consumers are obliged to include an additional layer of legal protections, to be written in plain-spoken language and to contain other features imposed by consumer-specific laws which are not dealt with in this template agreement.

iv Users of this Model Non-Exclusive Software Licence Agreement should be aware that in some situations the law relating to "state aid" might need to be considered (e.g. if the industrial party to the licence agreement does not pay market value for the benefits it receives). This is a complex area and there is no 'one-size-fits-all' way of dealing with it. Accordingly, the user should seek specialist advice when required.

v This should be the date on which the last party signed, and should be inserted by the last signatory, on that date.

vi Insert the full name of the RPO, the statute or charter under which it was incorporated or established, and its registered/principal address. Individual RPOs will have their own legal formalities which will need to be completed to bind the RPO.

vii Insert the full name of company (or other entity) and its principal place of business. This Model Non-Exclusive Software Licence Agreement has been designed for use with a commercial licensee.

viiiThe user should note that a new piece of legislation relevant to this definition is anticipated – i.e. the Criminal Justice (Corruption) Bill (to be the Criminal Justice (Corruption) Act on implementation). At the time of writing, there is no definite timescale for bringing the Criminal Justice (Corruption) Bill into effect, although it is expected to come into effect in late 2015 but this is not guaranteed. The expected citation is the Corruption Act 2015 and it is expected to replace the Prevention of Corruption Acts 1889 to 2010. Until such time as the Criminal Justice (Corruption) Bill is brought into effect, however, the present citation should be used in this definition.

ix Insert the date on which the licence agreement is to commence. This can be a date before, on, or after the date on which the licence agreement is signed.

x Inclusion of this definition assumes that the licence will be limited to a particular technical field. Technical definitions such as those for the "Field", "RPO Software", "Developed Products" and "Services", etc. may require input from scientific colleagues to ensure they are clear, accurate, and unambiguous, and do not overlap with any other licences that have been granted to the same technology.

xi This wording is intended to ensure that the RPO does not suffer if the price is artificially reduced (e.g. if it is discounted in return for an inflated price for another product).

xii This wording is biased to the RPO. Some licensors include a cap on such deductions (e.g. a percentage of the sales price) or negotiate a fixed-percentage deduction on all sales to avoid the need to calculate the deductions on each occasion.

xiii Insert the full name and title of the relevant academic.

xiv List the countries in which the licensee can manufacture and/or sell/supply the developed products and services. General definitions such as "Europe" should be avoided – for example, it is not clear whether Europe includes Turkey, Russia, etc. In some situations a list of countries may be appropriate. For western Europe a definition such as members of the EU or EFTA (European Free Trade Association) may be suitable – the latter grouping includes Switzerland and Norway which are not members of the EU. Also consider whether the definition should be frozen, i.e. members of the EU at the date of the agreement and not future members.

xv Where this document is adapted to be used to govern the performance of obligations in a jurisdiction outside of the Republic of Ireland, users should note that their ability to enforce the rights and obligations set out here may be subject to the laws of that jurisdiction and that local legal advice may need to be sought.

xvi This grants a non-exclusive licence.

xvii This Model Non-Exclusive Licence Agreement is not designed to make software available as a service.

xviii This covers, for example, disclosures required by a stock exchange on which a party's shares are listed. Sometimes parties prefer to say this more explicitly. It also includes freedom of information requests.

xix Users of this Model Non-Exclusive Software Licence Agreement are advised that it has not been prepared with regard to any tax law, treatment or policy, and that it may be advisable to get specific tax advice in relation to any tax issue or treatment which might arise as a result of performing or implementing this agreement. Tax treatment will depend in part on the parties' circumstances at the time the agreement is made and thereafter.

xx This payments clause is one of the provisions that has been cut down as compared to the exclusive software licence agreement. This payments clause includes provisions for initial and annual payments and also royalty payments on net sales value. A second form of this template that does not provide for royalty-based payments has also been included in the suite for completeness. In addition, if alternative or more detailed payment provisions are required, the user should consult the exclusive software licence agreement template for further template wording.

Sometimes the user may also find that the licence agreement forms part of a larger transaction that also involves other agreements (such as a shareholders' agreement) being entered into by the RPO at the same time. This is perhaps most likely to be the case when the RPO is setting up a spin-out company and is entering into a package of documentation for that purpose. In these cases, there may be a link between the grant of the licence and an issue of shares to the RPO. However, the user may find that the terms of the issue of shares are documented in a separate agreement (i.e. the shareholders' agreement). Accordingly, the user may want to consider whether or not it is appropriate in these circumstances to make reference to the issue of shares in the payments clause of this licence agreement – i.e. to make clear that the issue of shares under the shareholders' agreement forms part of the consideration for the grant of the licence under this licence agreement. If the user concludes that this is appropriate, the user must also take particular care regarding the timing of the execution of the two agreements. This is because, under Irish law, past consideration is not regarded as valid consideration. For further information about consideration, the user should consult the "Practical Guide to Legal Issues in Contracts with RPOs".

xx The amount to be paid to the RPO for entering into the licence agreement. This amount will need to be assessed on the likelihood of Developed Products and Services being sold and royalties being paid.

xxi This can be a fixed fee that is paid annually to maintain the licence.

xxii The wording of this clause will depend in part on the commercial deal structure. For example, if the developed products and services can be leased rather than sold, it may be appropriate to charge a royalty on the hire fee. Similarly, if the licensee provides services using the developed products and services, royalties may be appropriate on the fees charged for such services. This clause will need to be adapted as appropriate.

xxiii This provides a minimum annual royalty and is a good incentive for the licensee to diligently promote sales of the developed products and services. This value needs to be considered carefully so as to incentivise the licensee based on realistic market conditions. It may need to be varied at different times during the term of the licence agreement.

xxiv Insert the RPO's bank and bank account details.

xxv This is intended to avoid having the RPO learn confidential information of the licensee that it doesn't need.

xxvi Where the inaccuracy in the royalty statement is more than 5%, the Licensee will have to rectify the error and pay the accountant's fees.

xxvii The RPO and licensee should discuss what actions to take to deal with infringements.

xxviii The parties must notify each other promptly if there is any infringement of third party intellectual property rights. Some licensees seek an indemnity from the licensor against claims of infringement by third parties. However, most licensors generally would not be willing to give such an indemnity. Usually, a licensee is willing to accept amendments to the fee structure to deal with this.

xxix This is a relatively light set of warranties such as those that an RPO licensor might be prepared to give. However, although relatively light, the RPO should not give the warranties without carrying out the necessary due diligence. As mentioned above, this template has been put together on the basis that the RPO is the owner of any IP rights that subsist in the RPO Software – i.e. this template assumes that no third party software (including for example third party open source software) has been incorporated into the RPO Software. If the RPO Software incorporates any third party software, these warranties should not be given (i.e. as the RPO would not be the proprietor of all of the copyright that subsists in the RPO Software in these circumstances). For further information about open source software, the user should consult the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xxx The licence granted in (clause 2.1 of) this agreement is a licence to "use the RPO Software". However, in terms of intellectual property rights, the source and object code of the software is most likely to be protected by copyright. This explains the phrasing of the warranty here. If required, see the accompanying Practical Guide entitled "Introduction to Software Licence Agreements" for more information.

xxxi Although wording of this kind will generally be considered useful, it cannot be guaranteed to exclude terms implied by law. As to which terms will be implied by law, the answer will depend on which country's laws govern the contract. For example, under Irish law, few terms are generally implied into an intellectual property licence agreement other than certain rights which may be implied in relation to the software, for example under the Sale of Goods and Supply of Services Act 1980. Under some continental European countries' laws, more terms may be implied – e.g. as to validity of the licensed IP, suing infringers, providing improvements and assistance to the licensee, etc.

xxxii The RPO is <u>not</u> guaranteeing that use of the RPO Software or manufacture/sale/use of any developed products and services will not infringe a third party's intellectual property rights.

xxxiii An important issue with any indemnity is whether it applies only to third-party claims or also to inter-party claims. Generally, indemnities are more suited to third-party claims, and they are often not needed for inter-party claims (e.g. for breach of warranty), where they are usually intended to strengthen the indemnified party's position beyond that which it would have under the general law of contract. This topic raises complex legal issues (which may vary between jurisdictions) on which specialist advice should be sought.

xxxiv The licensee gives the RPO an indemnity for any third party claims due to licensee's use of the RPO Software and/or dealings with the developed products and services.

xxxv The list of clauses set out in this sub-clause will require careful checking as the rounds of drafting progress.

xxxvi Parties may wish to seek advice whether the agreement raises any competition law issues, e.g. under Article 101(1) of the Treaty on the Functioning of the European Union (TFEU), Section 4(1) of the Competition Act 2002 (as amended), or the Technology Transfer Block Exemption Regulation (TTBER). For further information, see the section which provides further detail in the accompanying Practical Guide entitled "Introduction to Software Licence Agreements".

xxxvii Some agreements include a long list of force majeure events. If there are particular issues that might be relevant in the licensee's territory, e.g. civil war, it may be worth including specific mention of these.

xxxviii This sentence seeks to avoid assignments by a liquidator.

xxxix Complete with the fax numbers to which notices about the licence agreement should be sent.