EXCLUSIVE LICENSE AGREEMENT

THIS AGREEMENT made and entered into at Colombo in the Democratic Socialist Republic of Sri Lanka on this [enter the date] day of [enter the month] Two Thousand [enter the year].

BY AND BETWEEN

**UNIVERSITY OF MORATUWA**, a university established and existing under the Universities Act, No. 16 of 1978, having its principal office at Katubedda, Moratuwa in the Democratic Socialist Republic of Sri Lanka (hereinafter called Licensor) which term or expression as herein used where the context so requires, means and includes the said University of Moratuwa, its successors and assigns,

and

…………………………………………. bearing the NIC No/Passport No […………………………] of ……………………………… in the Democratic Socialist Republic of Sri Lanka (hereinafter called Licensee), which term or expression as herein used where the context so requires means and includes the said …………………………………… his/her heirs executors and administrators.

[ALTERNATIVELY, if the Licensee is an incorporated body]

**………………………………** a company duly registered under the laws of Sri Lanka bearing the Registration No ……………….. and having its registered office at ………………………………… in the Democratic Socialist Republic of Sri Lanka (hereinafter called Licensee), which term or expression as herein used where the context so requires mean and include the said **…………………………….** its successors and assigns.

WITNESSETH

WHEREAS, the Licensor is the sole and exclusive owner of, and has the sole and exclusive right to grant licenses under the product fully defined in ANNEXURE A hereto;

AND WHEREAS the Licensee is desirous to obtain a license under the product fully defined in ANNEXURE A upon the terms & conditions hereinafter set forth:

NOW, WHEREFORE, in consideration of the premises and the faithful performance of the covenants herein contained it is agreed as follows.

# DEFINITIONS

For the purpose of this agreement, the following definitions apply:

* 1. **Confidential Proprietary Information** mean with respect to any Party all scientific, business, or financial information relating to such Party, its subsidiaries or affiliates or their respective businesses, except when such information:
     1. Is approved for release by written authorization from such first Party.
     2. Is lawfully received by such other Party from a party other than the first Party; or
     3. Becomes known to the other Party prior to receipt from such first Party;
     4. Is necessary to be disclosed as required by law
     5. Is generally or publicly available other than through a breach of this Agreement.
  2. **Date of Execution** mean the date on which this Agreement is signed by the last Party as indicated on the last signature page of this Agreement.
  3. **Exclusive License** mean a license whereby Licensee’s rights are sole and complete and operates to exclude all others, including the Licensor and its affiliates except as otherwise expressly provided herein.
  4. **Net Revenue**  mean the amount of sales generated by a company out of a University intellectual property after the deduction of returns, allowances for damaged or missing goods, discounts allowed, and direct tax. Total sales of the company will be considered wherever it is not possible to extract the part of sales generated out of University IP.
  5. **Product Licensed Rights** mean and include:
     1. Intellectual Property
     2. The Rights to make, have made, use, sell, offer for sale, lease, export/ import or otherwise dispose the Products
     3. Any and all improvements developed by the Licensor, relating to the Product, which the Licensor may now or may hereafter develop, own or control, subject to agreement of appropriate additional consideration.
  6. **Product(s)** mean any materials including plants and/or seeds, compositions, techniques, devices, methods, designs, logos or inventions relating to and/or based on the Licensed Product, developed on the date of this Agreement or thereafter
  7. **Royalty (ies)** mean the minimum share/percentage payable by the Licensee to the Licensor as agreed hereunder, from the Net Revenue or from the damages recovered from any legal action.
  8. **Territory** means the geographical area identified in Annexure B hereof.

# GRANT OF EXCLUSIVE LICENSE

* 1. The Licensor hereby grants to the Licensee the **Exclusive License** of the **Product defined in Annexure A** throughout **the Territory**, for the duration of this Agreement.
  2. The Licensor retains the right to continue to use the **Licensed Rights** in any way for non-commercial purposes, including further research and educational purposes.

# TERM

The Licensor grants **the Exclusive License** to the Licensee for a period of ten (10) years from the **Date of Execution**. License period shall be extended based on the proper execution of the commercialization process.

# LICENSE PAYMENTS

* 1. For the Exclusive License herein granted, the Licensee pay consideration to the Licensor as stipulated below:
     1. Licensee shall to pay nonrefundable upfront fee of wo hundred and fifty thousand rupees (LKR 250,000), as the time of executions;
     2. The Licensee pay a **Royalty** of Three percent ( 3 %) of the Licensee’s **Net Revenue,** within fifteen (15) days after the end of each calendar year during the period in which this Agreement is in force;
     3. The Licensee pay an annual **Royalty** of Three percent ( 3 %) for each leased **Product,** within fifteen (15) days after the end of each calendar year based on the invoice raised by the licensor, during the period in which this Agreement is in force;
     4. Any balance payment payable hereunder, immediately upon termination or expiration of this Agreement.
     5. In any case when the net revenue becomes negative, Licensor shall not be liable for any damages or compensations
  2. All sums payable by the Licensee hereunder shall be paid to the Licensor in Sri Lanka, and in Sri Lankan currency, by way of account payee cheques/to a bank account nominated by the Licensor.
  3. In the event Royalties are not paid as specified herein, then interest of AWPLR+2% per annum shall be payable and due in addition to the Royalties accrued for the period of default and shall be payable within fifteen (15) days after the end of each calendar year during the period in which this Agreement is in force or immediately upon the termination or expiration of this Agreement, whichever occurs first.

# REPORTS, BOOKS, RECORDS, AND INSPECTION

* 1. **REPORTS**
     1. The Licensee agrees to furnish, within thirty (30) days after the end of each calendar year during the period in which this Agreement is in force, a written report to the Licensor setting forth the following.
        1. Total number of the Products manufactured within the said period
        2. The Sales of the Products
        3. Total number of the Products leased within the said period
        4. The Gross Revenue
        5. Any other income generated through selling, leasing, using or disposing the Products and/or the Licensed Patent Rights.
        6. The Net Revenue.
     2. If there is no income within the given period, a statement to that effect be made by the Licensee to the Licensor.
  2. **MARKING**

The Licensee shall obliged to mark or have marked all Products made, used, sold, distributed and/or leased by it under the Licensed Rights; to the extent such markings shall be practical.

* 1. **BOOKS AND RECORDS**
     1. The Licensee shall keep books and records in such reasonable detail and format as will permit the reports provided herein to be prepared and verified.
     2. The Licensee further obliges to permit such books and reports to be inspected and audited by a representative or representatives of the Licensor to the extent necessary to verify the reports provided hereunder.
  2. **INSPECTION**
     1. The Licensee shall permit in-house inspections of the facilities used by the Licensee no more than once in any 12 month period for manufacturing, using, distributing and storing of the Product by the Licensee by the authorized representatives of the Licensor, including the auditors, upon reasonable prior written notice.
     2. The Licensee shall assist in all reasonable manners to the Licensor and/or the authorized representatives of the Licensor including the auditors to carry out such inspections when the Licensor wishes to conduct such inspections.

# INFRINGEMENT BY THIRD PARTIES

* 1. If any infringement or threatened infringement of the Licensed Rights comes to the notice of the Licensee it shall forthwith notify the Licensor giving particulars thereof.
  2. Both the Licensor and the Licensee shall have the right to institute action against and/or to prosecute the infringers and/or the potential infringers of the Licensed Rights, including the rights to enjoin such infringers and claim damages from such infringers.
  3. If the Licensee wishes to institute action against and/or prosecute such infringers of the Licensed Rights, the Licensee shall inform the Licensor forthwith and shall take the necessary steps immediately to institute action against and/or to prosecute such infringers, at its own cost and expense. If any written consent of the Licensor is required for institution of such proceedings, Licensor shall give such consent without d e l a y.
  4. In the event the Licensee institutes action and/or prosecute infringers of the Licensed Rights and recovers damages by way of a court order and/or a settlement, either during the term of this Agreement and/or thereafter, the Licensee shall pay a royalty at the percentage of three percent (3 %) upon such damages, excluding any legal costs, within fifteen (15) days from the date of receipt/recovery of such payment on account of damages.
  5. If the Licensee does not wish to institute action against and/or prosecute such infringers of the Licensed Rights, the Licensee shall inform the Licensor forthwith. In such event, the Licensor may take the necessary steps immediately to institute action against and/or to prosecute such infringers, at its own cost and expense. In the event the Licensor institutes action and/or prosecute such infringers and recovers damages, the Licensee shall not be entitled to any share of the damages so recovered.
  6. In the event of such prosecution and/or litigation with respect to such infringement and/or potential infringement of Licensed Rights and/or in investigations into such infringements, the Licensor and the Licensee agree to co-operate with each other and to assist each other to the maximum extent, and agrees to intervene and join in action, provide witnesses, all papers, documents or other instruments to each other, to give statements and to testify as may be required in such investigations, prosecutions and/or litigation.

# CO-OPERATION

Each party shall cooperate with the other party when such cooperation may reasonably be expected for the performance of that party’s obligations.

# DILIGENCE

The Licensee shall use commercially reasonable efforts to develop, commercialize, market and sell Licensed Product in a manner consistent with the business development plan.

# DEVELOPMENT PLAN

* 1. The Licensee shall deliver to the Licensor, at the Time of Execution, a business development plan for development of Licensed Rights, which includes number and kind of personnel involved, time and budget planned for each phase of development and other items as appropriate for the development of the Licensed Rights. The Business Development Plan shall include clear milestones with regard to project implementation and/or product development marketing and sales.
  2. The Licensee shall provide to the Licensor, bi-annual reports describing progress toward meeting the objectives of the business development plan provided. Information to be provided by Licensee shall include copies of annual financial statements, audited and unaudited, management accounts, royalty calculations, sales ledgers and details, royalty payments. Licensor shall have the right to call for any specific information and documents as part of its bi-annual review of the operation, and Licensee is obliged to provide all such information.

# TERMINATION

* 1. The Licensor may, at its option, terminate this agreement with cause, by immediate written notice to the Licensee in case of:

1. Default in the payment of any Royalties required to be paid by the Licensee to the Licensor hereunder
2. Default in the making of any reports required hereunder and such default shall continue for a period of thirty (30) days after the Licensor shall have given to Licensee a written notice of such default.
3. Default in the performance and/or breach of any obligation and conditions contained in this Agreement on the part of the Licensee to be performed and such default shall continue for a period of thirty (30) days after the Licensor has given to the Licensee the written notice of such default.
4. If the Licensee has not shown sufficient progress in achieving sales revenue and/or the implementation of the Development Plan to the satisfaction of the Licensor, upon the lapse of 18 months, as may be ascertained through the bi-annual reviews to be carried out by the Licensor.
5. Adjudication that the Licensee is bankrupt or insolvent.
6. Death and/or incapacity of the Licensee, if the Licensee is a natural person.
   1. Either party may terminate this Agreement by giving to the other party six (6) months’ notice in writing.
   2. Termination of this agreement shall not in any way operate to impair or destroy any of the Licensee’s or the Licensor’s right or remedies, either at law or in equity, or to relieve the Licensee of any of its obligations to pay Royalties and/or to comply with any other of the obligations hereunder, accrued prior to the effective date of termination.
   3. Upon termination of this Agreement, all of the Licensed Rights shall be returned to Licensor.
   4. The Licensee shall not be able to make, have made, use, sell, lease or otherwise dispose the Licensed Rights and/or the Products, after the date of termination, without the written consent of the Licensor.

# INDEPENDENT CONTRACTORS

* 1. The parties are independent contractors. Nothing contained in this Agreement is intended to create an agency, partnership joint venture or employer-employee relationship between the parties. At no time will either party make commitments or incur any charges or expenses for or on behalf of the other party.
  2. Notwithstanding the foregoing, Licensee may exercise its rights hereunder at the direction of and on behalf of one or more sublicenses, provided that there shall be no express or implied third-party beneficiaries of this Agreement.

# TRADEMARKS, TRADENAMES AND SYMBOLS

The Licensee shall agrees that Licensee shall not use in any way the name of the Licensor or any trademarks, trade names, symbols or logos associated with the Licensor except the list attached as Annex A or the names of any researchers without the express written permission of the Licensor.

# COMPLIANCE WITH LAWS

* 1. The Licensee shall comply with all prevailing laws, rules, regulations and court orders that apply to its activities or obligations under this Agreement.
  2. None of the Licensee or any of its subsidiaries or any of their respective directors, officers, employees or, to the Licensee’s knowledge, agents or any other person acting on their behalf shall not directly or indirectly make any bribes, rebates, payoffs, influence payments, kickbacks, illegal payments, illegal political contributions, or other payments, in the form of cash, gifts, or otherwise, or taken any other action, in violation of the anti- bribery or anti-corruption laws in force from time to time.

# NO WAIVER

The failure of any party hereto to exercise any right, power or remedy provided under this Agreement or otherwise available in respect hereof at law or in equity, or to insist upon compliance by any other party hereto with its obligations hereunder, and any custom or practice of the parties at variance with the terms hereof, shall not constitute a waiver by such party of its right to exercise any such or other right, power or remedy or to demand such compliance.

# AMENDMENT

This Agreement may be amended or modified only by a mutual written instrument executed by both parties hereto.

# ASSIGNMENT

* 1. The Licensee may not assign this Agreement or any part of it, either directly or by merger or operation of law, without the prior written consent of the Licensor.
  2. Any prohibited assignment shall be null and void and shall have no effect in law whatsoever.
  3. Sub-licensing shall be permissible, strictly subject to prior written approval of the Licensor and subject to any terms and conditions to be laid down by the Licensor at its sole discretion. The Licensor shall have the right to refuse to grant approval for any particular sub-licensing proposed by the Licensee, without assigning any reasons therefor.
  4. Any permitted assignment shall not relieve the Licensee of responsibility for performance of any obligation of the Licensee that has accrued at the time of the assignment.
  5. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding on each party’s legal representatives, successors and assigns.

# NOTICES

* 1. Notice Address listed on the signature page, and delivered:

1. By personal service, with the acknowledgement of receipt obtained from a principal officer of the other party;
2. By registered post;
3. By recognized overnight courier service; or
4. By facsimile, with the receipt of confirmation of transmission obtained.
   1. A Notice will be deemed received:
5. If delivered personally, on the date of delivery.
6. If mailed, five (5) business days after deposit with the mail service.
7. If sent via courier, seven (7) business days after deposit with the courier service. or
8. If sent via facsimile, upon receipt of confirmation of transmission

# SEVERABILITY

In case any provision in this Agreement be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions not in any way be affected or impaired thereby and such provision be ineffective only to the extent of such invalidity, illegality or unenforceability.

# HEADINGS & DEFINED TERMS

* 1. The headings of the clauses included in this Agreement are inserted for convenience only and are not intended to affect the meaning or interpretation of this Agreement.
  2. The words “include”, “includes” and “including” will be deemed to be followed by the phrase “without limitation”.
  3. The words “herein”, “hereof” and “hereunder”, and words of similar import, will be construed to refer to this Agreement in its entirety and not to any particular provision hereof.
  4. All references herein to Clauses or Exhibits, unless otherwise specifically provided, will be construed to refer to Clauses and Exhibits of this Agreement.

# COMPLETE AGREEMENT

This Agreement and the Exhibits and documents expressly referred to herein embody the complete agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

# DISCLAIMER OF WARRANTY

* 1. Licensed Rights is experimental in nature and it is provided without warranty or representations of any sort, express or implied, including without limitation warranties of merchantability and fitness for a particular purpose of non-infringement.
  2. The Licensor makes no representations and provides no warranty that the use of the Licensed Rights will not infringe any proprietary rights of third parties.
  3. The Licensor warrants that it has title to the Licensed Rights from the inventors, provided however that Licensor makes no representations or warranty that the Licensed Rights granted herein will be free of claims of infringement of rights of any other person or persons.

# INDEMNITY

The Licensee shall indemnify, hold harmless, and defend the Licensor and its trustees, officers, employees and agents against all claims, demands, writs, summons actions, suits, proceedings, judgments, orders, decrees, damages, costs, losses and expenses of any nature whatsoever which the Licensor may suffer or incur in connection with loss of revenue, image, reputation or damage arising from negligent and/ or reckless acts and omissions and/or the breach of any of the provisions of this Agreement by the Licensee its employees or agents, and improper business practices arising out of the use of the Licensed Rights.

The Licensor shall indemnify and save Licensee harmless from and against any and all reasonably foreseeable claims, causes of action, damages, awards, actions, suits, proceedings, demands, assessments, judgments, arising out of: Any act, default or breach on the part of Licensor or its officers, employees, servants, agents and representatives under the terms of this Agreement; and Any claims of intellectual property infringement arising out of the commercialization of the Technology to the extent that the potential for such specific claims were actually known by the Licensor or should have been known and were not disclosed to Licensee; or to the extent expressly waived by Licensee in writing if such claims were disclosed to Licensee

# CONFIDENTIALITY

Each party will ensure that any Confidential Information relating to the other party is treated as strictly confidential, and is not used or disclosed to any other person, other than:

(a) persons strictly requiring the information for the purpose of properly performing its obligations under this Agreement, provided that they are made aware of the obligations in this clause;

(b) with the other party’s prior consent;

(c) as required by law;

(d) to that party’s related body corporate if necessary for reporting purposes;

(e) to that party’s professional advisers in confidence; or

(f) where the information is generally or publicly available other than through a breach of this Agreement.

This clause survives termination of this Agreement.

# COUNTERPARTS

This Agreement may be executed in several counterparts, all of which taken together will constitute the same instrument.

# GOVERNING LAW

This Agreement will be governed in accordance with the laws of the Democratic Socialist Republic of Sri Lanka.

# DISPUTE RESOLUTION

* 1. If a dispute, conflict or argument arises between the parties concerning any right or duty under this Agreement, then the parties will meet in person and confer, as soon as practicable after written notice from one party to the other party identifying the reasons for such dispute, in an attempt to resolve the dispute by negotiation
  2. If the parties are unable to resolve the dispute amicably by negotiation within thirty (30) days after such notice, parties apply mediation or conciliation methods as appropriate.
  3. If the parties are unable to resolve dispute amicably or mediation or conciliation methods, the parties further agreed to refer to arbitration method with respect of Arbitration Act No. 11 of 1995.

# FORCE MAJEURE

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any term of this Agreement if, but only to the extent that, such failure or delay results from causes beyond the reasonable control of the affected party, potentially including fire, floods, embargoes, terrorism, war, acts of war (whether war be declared or not), insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, acts of God or acts, omissions or delays in acting by any governmental authority or any other party; provided that the party affected shall promptly notify the other of the force majeure condition and shall exert reasonable efforts to eliminate, cure or overcome any such causes and to resume performance of its obligations as soon as possible.

In witness whereof, the parties hereto have caused this agreement to be executed by their duly authorized representatives.

|  |  |
| --- | --- |
| On behalf of the Licensor | On behalf of the Licensee |
| Licensor | Licensee |
| Name: | Name: |
| Title: | Title: |
| Date: | Date: |

# Witnesses

1. Name

NIC/Passport No Address Signature

1. Name

NIC/Passport No Address Signature

**Annex A:**

Name of the Product

One Page Description of the Product with images (Summary include, Name, Purpose, Technology, Advantage and applications)

**Annex B**

**Territory:** The Democratic Socialist Republic of Sri Lanka.