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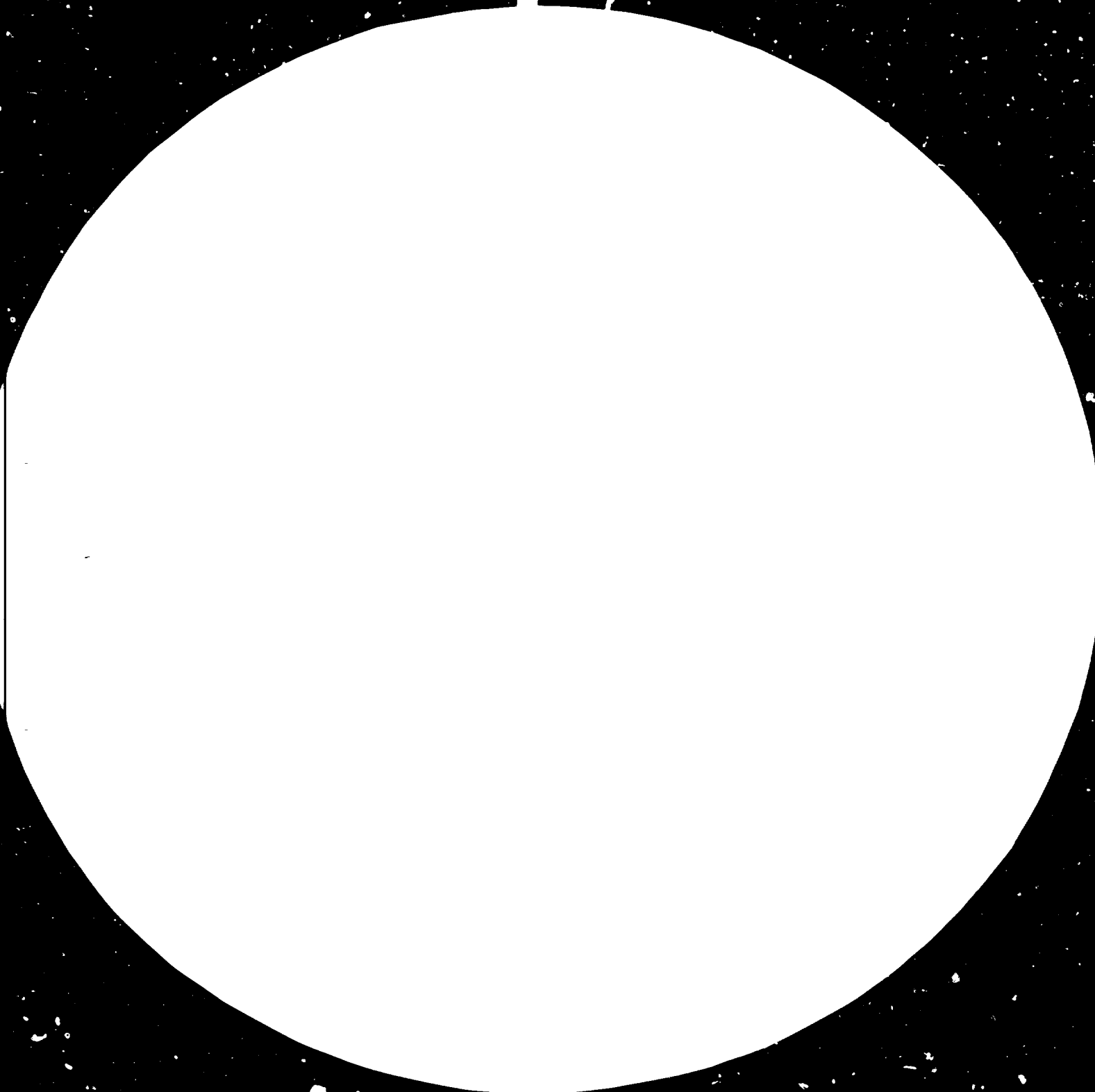
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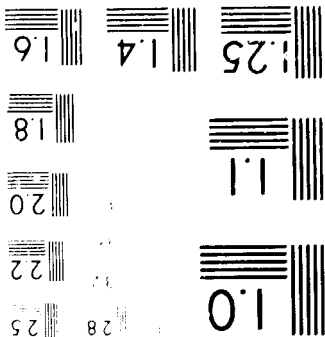
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Resolution Test Chart



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LICENCING AGREEMENT

ON
CANS *

A CASE STUDY

by

Young-Hun Kim **

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** Deputy Director, Technology Transfer Center, KIST, Seoul, Korea

LICENSE AGREEMENT

THIS AGREEMENT is made and entered into as follows on third _____ day of _____, 1977 between COMPANY A (hereinafter called "LICENSOR"), a corporation organized and existing under the laws of Country A, with its principal office at _____, and COMPANY B (hereinafter called "LICENSEE"), a corporation organized and existing under the laws of Country B, with its principal office at _____.

ARTICLE 1. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

1. "Cans" mean any cylindrical metal body with sideseam, including top and bottom ends therefor, and rectangular, cylindrical or oval metal body pressed out by drawn process, including the end therefor.
The Can includes:
 - (a) Sanitary cans for agricultural, marine and livestock products
 - (b) Beverage cans for juice, carbonated soft drinks and beer
 - (c) Aerosol cans for insecticides, toiletries and other aerosol products.

2. "Technical Information" shall mean the technical information developed by LICENSOR or ORIGINAL LICENSOR and commercially used by LICENSOR for the manufacture and use of cans during the life of this Agreement, and specifically it shall mean the following information:
 - (a) Can material specifications
 - (b) Can product specifications
 - (c) Can manufacturing standards
 - (d) Instruction books for can manufacturing
 - (e) Quality control procedures
 - (f) Information on food technology
 - (g) Other information as considered necessary for the manufacture of the cans.

3. "Net Sales" shall mean LICENSEE's gross sales of cans less all rebates and discounts for cash payments, and excluding all packing charges, freight and value added tax.
4. "Original Licensor" shall mean a can company of Country A which granted LICENSOR the license for manufacturing, using and selling the Licensed Products and sub-license to grant the right to seventeen (17) countries in Asia and Oceania.
5. "Container Machinery" shall mean machinery and parts thereof which on or before the date on which LICENSOR executes this Agreement had been developed by LICENSOR or licensed to LICENSOR by ORIGINAL LICENSOR for the manufacturing, packing, lithography, coating, filling, closing, sealing and handling of cans.

ARTICLE 2. TECHNICAL INFORMATION

1. During the life of this Agreement, LICENSOR shall provide LICENSEE with technical information for its own use, and the coverage and contents thereof shall be determined by mutual consultation between LICENSOR and LICENSEE, taking LICENSEE's practical necessity into consideration.
2. Technical information shall be supplied either in the language of Country A, or in English, LICENSOR's option.

ARTICLE 3. TECHNICAL ASSISTANCE

1. During the life of this Agreement, LICENSEE shall have the right to the following assistance furnished by LICENSOR.
 - (a) Consultation with LICENSOR's engineers with respect to problems relating to the manufacture and use of cans
 - (b) Visit to LICENSEE's plant by LICENSOR's engineers for the purposes of (a) above or for the training of LICENSEE's engineers
 - (c) On-the-spot training of LICENSEE's engineers at LICENSOR's plant and laboratory
 - (d) Test and analysis of samples at LICENSOR's laboratory

- (e) Such arrangements for the visit to the plants of ORIGINAL LICENSOR by LICENSEE's representatives as may be made by LICENSOR.
2. The assistance set forth in this Article shall be subject to the availability of LICENSOR's or ORIGINAL LICENSOR's personnel and facilities. LICENSEE shall not make unreasonable requests for any such assistance from LICENSOR or ORIGINAL LICENSOR or request any such assistance which cannot be then used in LICENSEE's commercial operations.
3. The assistance set forth in this Article to be provided by LICENSOR shall be furnished either in the language of Company A, or in English at LICENSOR's option. Assistance to be provided by ORIGINAL LICENSOR shall be in English.

ARTICLE 4. PURCHASE OF MACHINERY

Whenever, LICENSEE wished to purchase Container Machinery, LICENSOR shall sell it to LICENSEE. Subject to its availability, the price, the payment and other terms and conditions shall be determined by mutual consultation between LICENSOR and LICENSEE at the time of each purchase. In order to make the best use of the technical assistance from LICENSOR, LICENSEE shall consult with LICENSOR about the selection of the type of the machine for new installation or for expansion.

ARTICLE 5. CONFIDENTIALITY

During the life of this Agreement and for ten (10) years thereafter, LICENSEE shall neither disclose nor divulge to any third party the Technical Information and any other data or Container Machinery provided by LICENSOR. LICENSEE shall take appropriate measures so that such secrecy maintenance is strictly observed by its director, employees and other workers, provided that LICENSEE may disclose on a confidential basis to its customers the Technical Information relating to canning or seaming operations only.

ARTICLE 6. PROHIBITION OF DUPLICATION

1. During the term of this Agreement and for ten (10) years thereafter, LICENSEE shall neither sketch nor copy nor otherwise reproduce Container Machinery which is purchased from LICENSOR or has come to LICENSEE's knowledge under this Agreement, nor manufacture an equivalent Machine.
2. For the purpose of this Agreement, "Equivalent Machine" shall mean a machine which incorporates major features and functions of Container Machinery.

ARTICLE 7. USE OF TECHNICAL INFORMATION AND MACHINERY

1. LICENSEE shall use the Technical Information and other data or machinery (exclusive of canning machinery) provided by LICENSOR solely for its own operation and shall neither transfer nor lend them to other parties.
2. LICENSEE shall not use the Technical Information and other data or machinery (exclusive of canning machinery) provided by LICENSOR in the territories other than Country B.

ARTICLE 8. PATENT

1. LICENSEE is hereby granted a license under patents and patent applications of Country B (including Utility Model hereinafter) owned by LICENSOR or ORIGINAL LICENSOR and relating to the cans, the Technical Information and the Container Machinery licensed hereunder.
2. LICENSEE has no right to sub-license to other parties the rights licensed or granted under this Agreement.
3. LICENSEE shall bear all the prosecution costs, annuity and maintenance costs for patents and patent applications of Country B licensed under this Agreement, and in case that LICENSOR or ORIGINAL LICENSOR pays such costs, LICENSEE shall immediately compensate LICENSOR or ORIGINAL LICENSOR, as the case may be, for such costs. In the event that LICENSEE shall fail to

compensate LICENSOR or ORIGINAL LICENSOR for such costs within sixty (60) days after being requested to do so LICENSEE shall lose its license under the patent applications with respect to which such costs are applicable.

ARTICLE 9. IMPROVEMENTS

LICENSEE shall provide LICENSOR with full information as to all of LICENSEE's improvements and developments made on the Technical Information provided by LICENSOR under this Agreement, and both LICENSOR and ORIGINAL LICENSOR shall have the right to a royalty-free license under such improvements and developments in the territories other than the Country B, which license shall include the right to grant sub-licenses to other parties.

ARTICLE 10. RESERVED RIGHTS

During the life of this Agreement, LICENSOR reserves its rights to grant other parties in Country B than LICENSEE the license for the Technical Information, assistance or patents as specified in Article 2, 3, 4 and 8 hereof.

ARTICLE 11. PAYMENT AND COMPENSATION

1. On or before August 31st and March 31st of each year, LICENSEE shall pay to LICENSOR the royalties of three per cent (3%) of Net sales of the cans sold during the preceeding period of six (6) calendar months ending on 30th June and 31st December respectively; provided, however, that in the event of an alternation of foreign exchange rate, the parties hereto agree to adjust the above royalty percentage, subject to government of Country B approval.
2. When making above payments, LICENSEE shall prepare a statement in order for LICENSOR to ascertain grounds of the amount of royalties paid by LICENSEE, and the remittance of the amount for the period from July 1st to December 31st shall be accompanied by a Certificate of an Independent Certified Public Accountant to verify the amount of royalties for the full year from January to 31st December.

ARTICLE 12. WARRANTY

1. Neither ORIGINAL LICENSOR nor LICENSOR makes any warranty concerning the result of the use of Technical Information and other data provided to LICENSEE under this Agreement.
2. LICENSOR warrants that the use by LICENSEE of Technical Information and other data provided by LICENSOR or use of any machinery provided by LICENSOR under this Agreement will not infringe any industrial property rights in Country B owned by ORIGINAL LICENSOR or LICENSOR; however, neither LICENSOR nor ORIGINAL LICENSOR makes any such warranty as to industrial property rights owned by any other party.

ARTICLE 13. FORCE MAJEURE

Neither LICENSOR nor LICENSEE shall be responsible for failure or delay due to a cause beyond their control in performing any of their obligations under this Agreement except those set forth in Article 11 so long as such cause exists, but upon the cease of such cause, the parties hereto shall resume such obligations.

ARTICLE 14. TERM

1. This Agreement shall become effective on the day of approval by the Government of Country B provided that such approval occurs on or before _____, 1977, and shall remain valid for the term of five (5) years therefrom.
2. Unless otherwise proposed by either party at least six (6) months prior to the expiration of this Agreement, this Agreement shall be automatically extended for subsequent five (5) year periods.

ARTICLE 15. TERMINATION

Notwithstanding the provision of other Article, this Agreement shall terminate in any of the following events:

- (1) If a party fails to perform any of the obligations hereunder and fails to restore such obligations within sixty (60) days after notice of such failure by the other party, the other party may terminate this Agreement by so notifying the defaulting party.
- (2) If a company or companies which is (are) in competitive position with LICENSOR, LICENSEE or ORIGINAL LICENSOR, or a related, associated and/or affiliated company or companies thereof acquire(s) five (5) per cent or more of voting stocks in LICENSEE, or if such company of companies dispatch(es) director, officer or employee to LICENSEE, LICENSOR may terminate this Agreement by so notifying LICENSEE.

ARTICLE 16. EFFECT OF TERMINATION

Upon the expiration or upon an earlier termination of this Agreement, LICENSEE shall, at LICENSOR's reasonable request, return to LICENSOR all Technical Information and data received from LICENSOR during the life of this Agreement and sell back to LICENSOR any Container Machinery purchased from LICENSOR. LICENSOR shall pay to LICENSEE the amount to be mutually agreed upon for Container Machinery to be sold back hereunder.

ARTICLE 17. GOVERNING LAW

1. This Agreement is made under, and shall be construed and performed with reference to, the law of Country A.
2. Any controversy or claim arising out of this Agreement shall be settled by arbitration to be held in Country A, in accordance with then obtaining rules of the International Chamber of Commerce.

ARTICLE 18. NOTICES

All Formal notices relating to this Agreement shall be addressed as follows:

If to LICENSOR: _____
_____, Country A

If to LICENSEE: _____
_____, Country B

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized representatives in triplicate each of which is held by each party.

COMPANY B

COMPANY A

President

President



