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**Model Forms
of Transfer of Technology Agreements**

**As Recommended by the National Authorities
of Selected Countries**

**Industrial Technology Promotion Division
Department for Industrial Promotion
Consultations and Technology, UNIDO**

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and Technology (CONITE)
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FORM OF LICENCE CONTRACT FOR TECHNICAL KNOW-HOW

THE PEOPLE'S REPUBLIC OF CHINA

Contents of the Contract

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The Licence Contract for Know-how

Signature Date:

Signature Place:

Contract No:

China, Beijing, _____ Company (hereinafter referred to as "Licensee") on the one hand, and _____ Company, _____ City, _____ Country (hereinafter referred to as "Licensor") on the other hand;

Whereas Licensor has the Technical know-how which design, manufacture, install and sell the _____ products;

Whereas Licensor has right and agreed to transfer the above-mentioned technical know-how to Licensee;

Whereas Licensee hope to use to technical know-how of Licensor to design, manufacture, sell and export the _____ products;

The authorized representatives of both parties, through friendly negotiations, have agreed to enter into the Contract under the terms and conditions as stipulated below:

Article 1 - DEFINITION

- 1.1. "Licensee" means China _____ Company or the legal representative, agent and inheritor to the property of the Company.
- 1.2. "Licensor" means _____ Company, _____ City, _____ Country or the legal representative, agent and inheritor to the property of the Company.
- 1.3. "The Contract Products" mean all the products, model and specifications as stipulated in Annex 1 to the Contract.
- 1.4. "The Technical Documentation" means all the technical indices, drawing, design and other documents relating to the calculation, operation, maintenance and inspection of the Contract Products as stipulated in Annex 2 to the Contract.
- 1.5. "The Contract Factory" means the place which Licensee manufactures the Contract Products by using the Technical Documentation and know-how supplied by Licensor. That is _____ Factory, _____ City, _____ Province.
- 1.6. "Net Selling Price" means the remaining amount of invoice value of the Contract Products, deducted by the charges for packing, freight, insurance premium, commission, commercial discount, taxation and other dues as well as the value of the parts purchased from outside the factory.

- 1.7. "The Technical Service" means the technical instruction and the technical training to be rendered by Licensor to Licensee with respect to the design, manufacture, assembly, inspection, adjustment, operation and other work of the Contract Products as stipulated in Annex 4 and Annex 5 to the Contract.
- 1.8. "Commercial Production" means the production after Set No. _____ of the Contract Products is made in the Contract Factory.
- 1.9. "The Date of Effectiveness" means the date of approval for the Contract by the competent authorities of both parties' Government, whichever comes later.
(Note: the above-mentioned definition may be more or less in accordance with the specific project.)

Article 2 - SCOPE OF THE CONTRACT

- 2.1. Licensor has agreed to transfer to Licensee and Licensee has agreed to obtain from Licensor the technical know-how to design, manufacture, sale, install and maintain the Contract Products. The name, model, specifications and technical indices of the Contract Products are detailed in Annex 1 to the Contract.
- 2.2. The Licensor has agreed to grant licensee the licence and right to design, manufacture, use, sell and export the Contract Products in the People's Republic of China. The licence and right are non-exclusive and non-transferable.
- 2.3. The Licensor has been responsible to provide Licensee with the relevant know-how and technical documentation related to the Contract Products. Their contents, quantity and time of delivery are detailed in Annex 2 to the Contract.
- 2.4. Licensor will be responsible to dispatch his technical personnel to China for explaining the technical documentations and rendering technical instruction and service on design, manufacturing, assembly, inspection and acceptance test of the Contract Products. The specific contents and requirements of the technical instruction and service are detailed in Annex 4 to the Contract.
- 2.5. Licensor will be responsible to receive and arrange for technical training of the licensee's personnel in the Licensor's factory. Licensor shall make his best efforts to satisfy the needs of Licensee so that the said technical personnel are able to master the above-mentioned know-how. The specific training contents and requirements are detailed in Annex 5 to the Contract.
- 2.6. Licensor shall be obligated to supply Licensee at the most favourable price with the parts, components, raw materials and standard parts for the Contract Products, when Licensee so requires. Both parties shall have consultation and sign the new contract for the specific contents of supplying in due time.
- 2.7. Licensor agrees that Licensee has the right to use the Licensor's trade mark. The Contract Products can also be adopted combination

trade mark of both parties or marked the words: "Made in China under licence of Licensor."

- 2.8. After the Contract Products manufactured by Licensee are up to standard through the acceptance tests, Licensor agrees to buy-back a part of the Contract Products in accordance with stipulations in Article 8.9 of the Contract.

Article 3 - PRICE OF THE CONTRACT

- 3.1. The total Contract price which shall be paid by Licensee to Licensor in accordance with the contents and scopes stipulated in Article 2 to the Contract shall be _____ U.S. Dollars (Say: _____). Their break down prices are as follows:

A: the technology transfer fee is _____ U.S. Dollars.
(Say: _____) (or the licence fee)

B: design fee is _____ U.S. Dollars. (Say: _____)

C: technical documentation fee is _____ (U.S. Dollars. (Say: _____))

D: Personnel training fee is _____ U.S. Dollars. (Say: _____)

- 3.2. The above-mentioned total Contract price shall be firm and fixed, including all their technical documentation prices shall be all expenses incurred before delivery of the technical documentation at the airport. (Note: the airport shall be the international airport which is close to the Contract Factory of Licensee).

Selection Proposal 1
Suitable for the Contracts to be priced on
Royalty of Products

- 3.1. In accordance with the contents and scopes stipulated in Article 2 to the Contract, this contract shall be priced on royalty of products made by Licensee. The Contract currency shall be US Dollar.
- 3.2. Royalty of the Contract shall be calculated starting from the date which both parties sign the acceptance certificate for the Contract Products, the date of settling accounts shall be 31 December of each year in terms of Calendar year.
- 3.3. Royalty at the rate of ___% shall be calculated in terms of net selling price after the Contract Products sold in that year. The Contract Products which not sold shall not be included.
- 3.4. The quantity of selling, net selling amount and royalty which Licensee shall pay for the Contract Products in last year shall be submitted to Licensor in written forms by Licensee within 10 (ten) days after the date of settling accounts for the Royalty. The specific methods which calculate net selling amount and royalty are detailed in Annex _____ to the Contract.
- 3.5. The fee of the Technical Service and personnel training of the Contract shall be calculated according to the real workday. The standard of daywork wage and calculating methods are detailed in Annex _____ to the Contract.

- 3.6. If Licensor demands to audit accounts of Licensee, it shall notice Licensee within 10 (ten) days after receiving the written notice issued by Licensee in accordance with the stipulation of Clause 3.4. The specific contents, procedure and methods of audit are detailed in Annex _____ to the Contract.

Selection Proposal 2

Suitable for the contents to be priced one combination of fixed price and Royalty

- 3.1. The initial payment and royalty shall be adopted in calculating the prices of the Contract in accordance with the contents and scopes stipulated in Article 2 to the Contract. The Contract currency shall be U.S. Dollar.
- 3.2. The initial payment of the Contract shall be _____ US Dollars (Say: _____), and shall be fixed price.
- 3.3. The royalty of the Contract shall be calculated starting from the date which both parties sign the acceptance certificate of the Contract Products in terms of Calendar year, the date of settling accounts shall be 31 December of each year. Royalty at rate of ____% shall be calculated in terms of net selling price after the Contract Products sold in that year. The specific calculating methods are the same with Clause 3.4 of Selection Proposal 1.
- 3.4. The calculating methods of fee for technical service and personnel training are the same with Clause 3.5 of Selection Proposal 1.
- 3.5. The procedure, contents and methods of audit are the same with Clause 3.6 of Selection Proposal 1.

Article 4 - CONDITIONS OF PAYMENT

- 4.1. All the cost stipulated in the Contract shall be effected in US Dollar by telegraphic transfer or mail transfer through the Bank of China, Beijing and the Bank of _____. All the Bank charges incurred inside China shall be borne by Licensee, and all the bank charges incurred outside China shall be borne by Licensor.
- 4.2. The total Contract price stipulated in Article 3 to the Contract shall be effected by Licensee to Licensor according to the following manner:
- (1) ____% (_____ percent) of the total Contract price, namely _____ US Dollars (Say: _____) shall be paid by Licensee to Licensor within 30 (thirty) days after Licensee has received the following documentation which are provided by Licensor and has found them in conformity with the Stipulations of the Contract.
- A: One photostat copy of the valid export licence issued by the relevant authorities of Licensor, or one copy of the letter issued by the relevant authorities of Licensor stating that the valid export licence is not required;
- B: One original of the irrevocable letter of guarantee issued by Licensor's Bank for a sum of _____ US Dollars.

(Say: _____) in favour of Licensee. The specimen of the letter of guarantee is detailed in Annex 6 to the Contract;

- C: Four copies of the proforma invoice covering the total Contract price;
- D: Two copies of the sight draft.

When making the above-mentioned payment, Licensee shall submit to Licensor one original of the irrevocable letter of guarantee issued by the Bank of China, Beijing for a sum of _____ US Dollars (Say: _____) in favour of Licensor. The specimen of the letter of guarantee is detailed in Annex 7 to the Contract.

- (2) _____% (_____ Percent) of the total Contract price, namely _____ US Dollars (Say: _____) shall be paid by Licensee to Licensor after Licensor has delivered the last batch of the technical documentation stipulated in Annex 2 to the Contract and within 30 (thirty) days after Licensee has received the following documents which are provided by Licensor and has found them in conformity with the stipulations of the Contract:

- A: Four copies of the commercial invoice;
- B: Two copies of the sight draft;
- C: Four copies of the airway bill for delivering the Technical Documentation.

- (3) _____% (_____ percent) of the total Contract price, namely _____ US Dollars (Say: _____) shall be paid by Licensee to Licensor within 30 (thirty) days after Licensee has received the following documents and has found them in conformity with the stipulations of the Contract:

- A: Four copies of the commercial invoice;
- B: Two copies of the sight draft;
- C: Two copies of the certificate signed by both parties stating that the performance guarantee period of the Contract Factory has started.

- (4) _____% (_____ percent) of the total Contract price, namely _____ US Dollars (Say: _____) shall be paid by Licensee to Licensor within 30 (thirty) days after Licensee has received the following documents which are provided by Licensor and has found them in conformity with the stipulations of the Contract:

- A: four copies of the commercial invoice;
- B: Two copies of the sight draft;
- C: Two copies of the certificate for the test and acceptance of the Contract Products signed by both parties.

- 4.3. Licensee shall have the right to deduct from any of the above-mentioned payments the penalties and/or compensation which Licensor shall pay in accordance with the stipulations of the Contract.

Selection Proposal 1
Suitable for the contracts to be priced
on Royalty of Products

- 4.1. The royalty stipulated in Article 3 to the Contract shall be paid by Licensee after the Contract Products are up to standard in the acceptance test.
- 4.2. The real selling quantity and net selling amount of the Contract Products in last calendar year shall be submitted by Licensee to Licensor within 10 (ten) days after the date of settling accounts to Royalty. The royalty shall be paid by Licensee to Licensor within 30 (thirty) days after Licensee has received the following documents which are provided by Licensor and has found them in conformity with the stipulations of the Contract:
- A: Four copies of the statement on calculation of Royalty within this period;
 - B: Four copies of the commercial invoice;
 - C: Two copies of the sight draft.
- 4.3. The payment of the fee for technical service and personnel training under the Contract is detailed in Annex ____ to the Contract.
- 4.4. Licensee shall have the right to deduct from any of the above-mentioned payments the penalties and/or compensation which Licensor shall pay in accordance with the stipulations of the Contract.

Selection Proposal 2
Suitable for the contracts to be priced
on combination of fixed price and Royalty

- 4.1. The initial payment stipulated in Article 3 to the Contract shall be in the same paying method with Clause 4.2. The number of their payments is decided according to the requirement of specific contract, the documents which are demanded in each payment are the same with Clause 4.2.
- 4.2. The payment of Royalty is the same with Clause 4.2 of the Selection Proposal 1.
- 4.3. The methods of payment for the fee of technical service and personnel training under the Contract are detailed in Annex ____ to the Contract.
- 4.4. The way of payment for the penalties and compensation are the same with Clause 4.3 of this Contract.

Article 5 - DELIVERY OF THE TECHNICAL DOCUMENTATION

- 5.1. Licensor shall deliver to Licensee the technical documentation at _____ airport in accordance with the contents, quantity and time stipulated in Annex 2 to the Contract. The risk of the technical documentation shall be transferred from Licensor to Licensee after its arrival at _____ airport, China.
- 5.2. The date stamped by _____ airport, China shall be the actual date of delivering the technical documentation.
- 5.3. Licensor shall, within 24 (twenty-four) hours after despatching each batch of the technical documentation, inform Licensee by telex or cable of the Contract number, airway bill number, airway bill date, documentation number, number of parcels, weight, flight and expected arrival date, and at the same time, shall airmail to Licensee two copies of the airway bill and the detailed list of the technical documentation.
- 5.4. In case of any loss, damages or shortage caused to the technical documentation in the airway, Licensor shall make supplementary or replaceable delivery to Licensee within 30 (thirty) days after receiving Licensee's written notice without any charges.
- 5.5. The technical documentation shall be packed in strong cases suitable for long distance transportation and numerous handling with protective measures against moisture and rain.
- 5.6. The following contents shall be marked on the cover of each package of the technical documentation in English.
 - A: contract number;
 - B: consignee;
 - C: destination airport;
 - D: marks;
 - E: weight (Kg)
 - F: case No./piece No.;
 - G: consignee code.
- 5.7. There shall be two copies of the detailed list of the technical documentation marked the order number, documentation code, name and pages inside each package.

Article 6 - TECHNICAL SERVICE AND PERSONNEL TRAINING

- 6.1. Licensor shall send his skilled, healthy and competent personnel to the Contract Factory of Licensee to provide technical service on site in accordance with the stipulations of the Contract. The number of people, speciality, task, content and duration in China are detailed in annex 4 to the Contract.
- 6.2. Licensee shall provide facilities for entry and exit visa, work and live in China for Licensor's technical service personnel. The treatment conditions of Licensor's technical personnel in China are detailed in Annex 4 to the Contract.

- 6.3. Licensor's personnel of the technical service shall observe the law of the People's Republic of China and rules and regulations of the Contract Factory in the period of service in China.
- 6.4. Licensee have right to send his technical personnel or operative workers to the relevant factory of Licensor to be trained. The number of people, speciality, content, time and requirement of training are detailed in Annex 5 to the Contract.
- 6.5. Licensor shall provide facilities for entry and exit visa and training conditions for the Licensee's trainees. The treatment conditions of the trainees in Licensor's country are detailed in Annex 5 to the Contract.
- 6.6. The Licensee's trained personnel shall observe the law of the Licensor's country and the rules and regulations of the Licensor's factory in the period of training.

Article 7 - TESTS AND ACCEPTANCES

- 7.1. In order to verify the correctness and reliability of the technical documentation supplied by Licensor, Licensor shall send the representative to test and inspect the Contract Products jointly with the technical personnel of Licensee in the Contract Factory. The specific procedure of tests and inspection and the standard of the acceptance are detailed in Annex 3 to the Contract.
- 7.2. If the standard of the acceptance specified in Annex 3 to the Contract is achieved in the joint tests, both parties' authorized representatives shall sign four copies of the acceptance certificate for the Contract Products, two copies for each party.
- 7.3. If the technical performance of the Contract Products are not achieved the technical indices stipulated in the Contract in the acceptance tests, both parties shall friendly consult and jointly discuss, analyze the causes and take measures. The second test shall be done after the products defect has been eliminated. Both parties shall sign the acceptance certificate in accordance with the stipulations of Clause 7.2 after the acceptance test has been up to standard.
- 7.4. If the responsibility for the failure of the first test lies with Licensor, Licensor shall again send his technical personnel to participate in the second test and shall bear all the expenses; if the responsibility for the failure of the first test lies with Licensee, Licensee shall bear all the expenses.
- 7.5. If it is due to Licensor's responsibility that the acceptance standard of the Contract Products is still not achieved upon the second test, Licensor must compensate related loss suffered by Licensee, and send at his own expenses his technical personnel to participate in the third test of the Contract Products; if the responsibility for the failure of the second test lies with Licensee, Licensee shall bear all the expenses.

- 7.6. If it is due to Licensor's responsibility that the acceptance standard of the Contract Products are still not achieved upon the above-mentioned three tests, Licensee shall have right to terminate the Contract and Licensor shall compensate all related loss suffered by Licensee in accordance with the stipulations in Article 8 to the Contract; if the responsibility for the failure for the above-mentioned three tests lies with Licensee, then both parties shall discuss and agree upon further execution of the Contract.

(Note: the number of the tests and acceptances shall be determined in terms of specific circumstance.)

Article 8 - GUARANTEES AND CLAIMS

- 8.1. Licensor guarantees that the Technical Documentation supplied by Licensor to Licensee in accordance with the Contract shall be of the latest Technical Documentation which are actually used by Licensor and the improved and developed technical documentation shall be supplied in time by Licensor to Licensee in the course of implementation of the Contract.
- 8.2. Licensor guarantees that the Technical Documentation supplied by Licensor to Licensee in accordance with the Contract shall be complete, correct and clear, and shall be delivered in time in accordance with the stipulation in Annex 2 to the Contract.
- 8.3. The period of performance guarantee supplied by Licensor to the Contract Factory shall be (_____) months. The starting and termination date of the period of performance guarantee are detailed in annex 3 to the Contract.
- 8.4. If it is found by Licensee that the Technical Documentation supplied by Licensor is not in conformity with stipulation in Clause 8.2 to the Contract, Licensor shall mail the related technical documentation to Licensee free of charge within 30 (thirty) days after receiving Licensee's written notice.
- 8.5. If the Technical Documentation can't be delivered by Licensor in accordance with date stipulated in annex 2 to the Contract, Licensor shall pay to Licensee penalty for late delivery of the Technical Documentation at the following rates:
- _____% (_____) percent) of the total Contract price for each week of late delivery from the first week to the fourth week;
_____% (_____) percent) of the total Contract price for each week of late delivery from the fourth week to the eight week;
_____% (_____) percent) of the total Contract price for each week of late delivery exceeding eight weeks.
The above-mentioned total penalty shall not exceed ____% (_____) percent) of the total Contract price, if the days less than one week of late delivery, it shall be counted as one week.
- 8.6. Penalty made by Licensor in accordance with the stipulation in Clause 8.5 to the Contract shall not release Licensor from his obligations to continue to deliver the Technical Documentation.

- 8.7. If the delivery of Licensor's Technical Documentation delays over 6 (six) months, Licensee shall be entitled to terminate the Contract. In such case, Licensor shall return to Licensee the total amount which Licensee has already paid plus ___% interest per annum thereon.
- 8.8. If it is due to Licensor's responsibility that the Contract Products are not still up to standard upon the _____ test, this case shall be dealt with the following methods in accordance with the stipulation in Article 7 to the Contract:
- (1) Due to the unqualified products, Licensee can not put into production and has to terminate the Contract, in this case, Licensor shall return to Licensee the total amount which has already been paid by Licensee to Licensor plus _____% interest per annum thereon;
 - (2) If only some part of the Contract Products can not achieve the acceptance standards, but Licensee still can put into production, Licensor shall compensate Licensee's loss according to the following stipulations:
 - A: If performance target of the Contract Products comes down _____%, Licensor shall compensate Licensee _____% of the total Contract price;
 - B: If performance target of the Contract Products comes down _____% Licensor shall compensate Licensee _____% of the total Contract Initial payment;
 - C: If performance target of the Contract Products comes down _____%, the compensation of Licensor to Licensee will be the reduction of royalty rate _____%.

Note: the penalty of late delivery and the performance claims may be added or subtracted some clauses in accordance with specific contract.)

- 8.9. After the Contract Products are up to standard upon the acceptance tests, Licensor agrees to buy from Licensee a part of the Contract Products year by year. The model and quantity of buy-back are detailed in Annex _____ to the Contract.

Article 9 - INFRINGEMENTS AND CONFIDENTIALITY

- 9.1. Licensor guarantees that Licensor has lawful ownership of all the know-how and Technical Documentation supplied by Licensor to Licensee in accordance with the Contract, and that Licensor has the right to transfer them to Licensee. In case a third party brings a charge of infringement, Licensor shall take up the matter responsibilities which may arise.
- 9.2. Licensee agrees to keep the know-how and Technical Documentation supplied by Licensor under secret conditions within the validity period of the Contract. If a part or the whole of the above-mentioned know-how or Technical Documentation will be

opened to the public by Licensor or any third party, Licensee is no longer to have the secret obligations to the opened parts.

- 9.3. Licensor shall keep secret for the information of hydrology, geology and production of the Contract Factory supplied by Licensee. The secret period shall be kept as long as Licensee requires.
- 9.4. Licensee shall have the right to use the know-how and Technical Documentation supplied by Licensor, and design, manufacture and sell the Contract Products after the termination of the Contract.

Article 10 - TAXES AND DUTIES

- 10.1. All the taxes and duties in connection with and in the execution of the Contract to be levied by the Government of the People's Republic of China on Licensee in accordance with the tax law in effect shall be paid by Licensee.
- 10.2. All the taxes and duties in connection with and in the execution of the Contract to be levied by the Government of the People's Republic of China on Licensor shall be paid by Licensor. In accordance with the stipulation of Article II of the Income Tax Law of the People's Republic of China concerning Foreign Enterprises, the withholding tax to be levied on Licensor will be deducted from the payment under Article 4 of the Contract by Licensee and on behalf of Licensor paid to China tax Authority. Licensee shall send to Licensor one original copy of tax receipt issued by the Chinese Tax Authority. The rest taxes and duties will be paid by Licensor, and the tax formalities will be gone through by Licensor itself in China Tax Authority.
- 10.3. All the taxes and duties in connection with and in the execution of the Contract to be levied outside China shall be paid by Licensor.

Selection Proposal 1

Suitable for those enterprises whose government already signed the taxation agreement with our government

- 10.1. The Agreement for the Avoidance of Double Taxation signed by the Government of People's Republic of China and the _____ Government on _____. The Agreement was put into effect on _____. Licensor and Licensee shall observe the stipulations of the Agreement.
- 10.2. The _____ tax and the _____ tax to be levied on Licensor by the Government of People's Republic of China in accordance with the _____ Tax Law and the _____ tax Law will be dealt with according to Article _____ and Article _____ of the agreement for the Avoidance of Double Taxation.

Selection Proposal 2

Suitable for those projects which has already got the tax reduction or tax exemption from Chinese Tax Authority

- 10.1. In the course of implementation of the contract, Licensor shall have the obligations to pay the _____ tax and the _____ tax in accordance with the People's Republic of China Tax Law in effect.
- 10.2. The Tax Authority of the People's Republic of China decided on _____ that the _____ tax and the _____ tax to be paid by Licensor would be reduced (or exempted), the specific methods of reducing and/or exemption is detailed in Annex _____ of the Contract.

Article 11 - FORCE MAJEURE

- 11.1. If either of the contracting parties is prevented from executing the Contract by such cases of force majeure as war, serious flood, fire, typhoon and earthquake or other cases which are agreed upon by both parties as cases of force majeure, the time for performance of the Contract shall be extended by a period equivalent to the effect of such cases.
- 11.2. The effected party shall notify the other party of the cases of force majeure occurred by telex or cable as soon as possible and shall send by registered airmail, within 14 (fourteen) days thereafter, a certificate issued by the authorities or departments concerned to the other party for confirmation.
- 11.3. Should the effect of the force majeure cases last for more than 120 (one hundred and twenty) days, both parties shall settle the problem of further execution of the Contract through friendly consultations as soon as possible.

Article 12 - DISPUTES SETTLEMENT

- 12.1. All the disputes in connection with or in the execution of the Contract shall be settled by both parties through friendly consultations. In case no settlement to the disputes can be reached by both parties through such consultations, the disputes shall be settled through arbitration.
- 12.2. The arbitration shall take place in Beijing, China, and be conducted according to the provisional procedures and rules of the Foreign Economic and Trade Arbitration Committee of China Council for the Promotion of International Trade.

(Note: Clause 12.2 has two selections: (a) if the arbitration takes place in Stockholm, Sweden, the case shall be conducted by the Arbitration Institute of Stockholm Chamber of Commerce in accordance with its arbitration procedures; (b) if the arbitration takes place in the accused country, the case shall be conducted by the arbitration institute of the accused country in accordance with its arbitration procedures.)

- 12.3 The arbitration award shall be final and binding on both parties.
- 12.4. The applicable law in the arbitration shall be the law of the People's Republic of China. (While the arbitration takes place in Stockholm, the applicable law in the arbitration shall be the Swedish law. The accused country law shall be the arbitration law while the arbitration takes place in the accused country.)
- 12.5. The arbitration fee shall be borne by the losing party or in conformity with the stipulation of the award.
- 12.6. In course of arbitration, both parties shall continue to execute the Contract except the part of the Contract which is under arbitration.

Article 13 - EFFECTIVENESS OF THE CONTRACT AND MISCELLANEOUS

- 13.1. This Contract is signed by the authorized representatives of both parties on _____ in Beijing. Both parties shall file applications with their respective government for ratification of the Contract, the date of ratification for the last party shall be the effective date of the Contract. Both parties shall do their utmost to obtain the ratification within 90 (ninety) days, and shall advise the other party by telex or cable and send a letter for confirmation.
- 13.2. If the Contract cannot come into force within 6 (six) months after the date of signing the Contract, both parties shall have the right to cancel the Contract.
- 13.3. The Contract shall be in force for _____ years from the effective date of the Contract. After the expiration of its term of validity, the contract shall automatically become null and void.
- 13.4. The outstanding creditor's right and debts between both parties at the expiration of the Contract shall not be influenced by the expiration of the contract. The debtor shall continue to pay the creditor the outstanding debts.
- 13.5. This Contract is done in English language in four originals, two for each party.
- 13.6. The Contract is formed by Article 1 to Article 14 and Annex 1 to annex 7, the text and annex of the Contract shall be integral parts of the Contract and have the same legal force.
- 13.7. Any changes, amendment, supplement and subtractions to the stipulations of the Contract shall be valid after both parties' authorized representatives have signed written documents which shall form integral part of the Contract and shall have the same legal force as the Contract.

CONTRACT OF TECHNOLOGY

COLOMBIA

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CONTRACT OF TECHNOLOGY

NATURE OF THE CONTRACT

Introduction

Technology (from the Greek "tekhnelogos"; in turn from "tekhne", art and "logos", treatise) is the body of knowledge pertaining to a mechanical craft or an industrial art. It also treats of technical terms. Or the particular, exclusive and technical vocabulary of a science or an art.

With the word "tekhne" the Greeks designated the communication of professional knowledge and skills, to the extent that these taken as a whole were transmissible, and technology is indeed essentially transmissible or transferable, since when it is applied to the production of goods and services, and when the latter are required in various places by various persons, it extends to all aspects of human activity.

Technology can be transferred via two kinds of channel: the first comprises technology whose flow is more or less free and relates to known technologies or to sophisticated technologies which are neither affected by patent rights nor handled under a monopolistic régime. The channels of flow are:

1. The circulation of books, periodicals and other published material;
2. The movement of persons from one country to another;
3. Vocational training and instruction; and
4. The exchange of information and of persons under technical co-operation programmes.

The second kind of channel comprises technology which, as a rule, is the property of a company or corporation, its transfer is effected from a more or less monopolistic source, it is protected by industrial patent rights, and its transfer represents a value which is a matter for negotiation. The channels of flow are:

1. The use of experts and agreements on the provision of advice;
2. The import of machinery and equipment, with the accompanying documentation;
3. The granting of licences covering manufacturing processes, the use of trade marks, patents, etc.; and
4. Direct foreign investments.

The purchase and sale of technology can assume the following forms:

(a) Incorporated technology, i.e. capital goods or sometimes producer (intermediate) goods, which are mainly associated with an investment and are bought and sold on the market;

(b) Labour, generally skilled, and sometimes highly skilled and specialized, capable of making good use of the relevant materials and techniques, and possessing a thorough knowledge of the most suitable procedures for the generation of information and the solution of problems;

(c) Non-incorporated technology, i.e. technical or commercial data freely available on the market or alternatively the exclusive property of an enterprise, and whose sale is subject to restrictive conditions.

Elements of the contract

The form in which the purchase and sale of technology is embodied is a matter for discussion; but in any case, for this type of transaction to come into being a "meeting of the minds" is necessary, i.e. a contract.

The contract of technology is a novel legal phenomenon which has not yet acquired a precisely defined place within the general theory of contracts. For this reason it is usually referred to as an innominate or atypical contract. Nevertheless, it can be associated with other meetings of the minds, such as contracts of sale or lease, depending on its constituent parts and the aim which it is pursuing.

Before determining the legal nature of the contract it is necessary to define its parts. Article 6 of Decree-Law 688 of 1967 regulates the transfer of foreign exchange under the headings of royalties, commissions, use of trade marks, patents, etc., the prior approval of the relevant contracts by the competent national authority (Royalties Committee) and their subsequent registration at the Exchange Office to give them legal force, and lays down the criteria to be considered by this office in granting or refusing registration, among these being the possibility that products can be manufactured without their being encumbered with royalties, by means of the use of modern technology. A similar provision is contained in Decree 1234 of 1972, which deals in greater detail with the subject of transfer of foreign technology. Then, Decree-Law 1900 of 1973 refers to contracts for import of technology and to contracts granting licences for the use of foreign trade marks. Finally, the Commercial Code regulates contracts licensing the use of patents, industrial drawings and models, trade marks and service marks and commercial names and emblems.

It emerges from the foregoing that the field covered by contracts for the transfer of technology can be apportioned as follows:

(a) Licensing for the use or exploitation of trade marks or service marks and commercial names and emblems;

(b) Licensing for the use or exploitation of patents, improvements, and industrial models and drawings;

(c) The furnishing of technical knowledge by means of plans, diagrams, models, instructions, formulae, specifications, personnel training and instruction, and other procedures;

(d) The provision of basic or detailed engineering for the erection of facilities or the manufacture of products;

- (e) Technical assistance, in whatever form it is accorded;
- (f) Services relating to the administration and operation of enterprises.

As can be seen, the first two points ((a) and (b) above) are associated exclusively with industrial property; the four remaining points ((c) to (f) above) refer to aspects peculiar to the technology as such.

Contract of use

Patents and trade marks are frequently mentioned in the context of technology, but are not co-extensive with it; in fact, whereas industrial patent rights provide for the temporary use of inventions and distinctive emblems, technology makes over ownership of its constituent components. That is to say, contracts licensing the use of features which in one way or another are protected by industrial patent rights are placed on the same footing, as regards their application, as contracts transferring use, such as a contract of lease, provided that thereunder only the temporary use or enjoyment of the premises is granted; hence there is no real transfer of ownership.

Temporariness is characteristic of industrial property rights and is basically the factor which most distinguishes them from the Roman-law notion of property; for, whereas under the latter the actual right of ownership over material objects is not limited in time, trade marks and patents can only be used or exploited by the licensee during the period of validity of the contract of licence, upon expiry of which they revert to their owner or become public property when the patents lapse.

Contract of ownership

On the other hand, the constituent parts of a contract of technology are considered as contracts for transfer of ownership, because if knowledge is transmitted by means of technical assistance, plans and diagrams, etc. and such knowledge is not protected by a patent or distinguished by a trade mark, the contract relating to it is regarded as a contract of sale. This means that the holder of unpatented knowledge or know-how is owner thereof only by the fact of possessing it and of being acquainted with its application and its properties; and will be the owner thereof to the extent of his capacity to perceive the content of the information.

If the possessor of non-patented knowledge transfers it to another party under a contract, such contract should be considered as a conventional contract of sale in which ownership of the property is transferred, since there is no valid title (patent, etc.) under which the first party can claim ownership once transfer has been effected.

CONTENT OF THE CONTRACT

The formal structure of the contract of technology can be very varied. The first meetings of the minds in this field were effected verbally and only rarely was there a written record thereof, and even if there were it was couched in very simple terms. This was undoubtedly due to the fact that transfers generally took place between enterprises and their subsidiaries, and consisted of the transmittal of orders or instructions.

Meetings of the minds in written form are instruments relating to the most varied transactions, particularly of an economic and commercial nature, and for this reason their form should be as flexible and extensive as are the user's requirements. Thus, within these contracts, which in themselves are specialized, there are sub-specialities derived from the requirements of each branch of the economy. There will therefore be a special form of contract for each case; however, there are common aspects which make it possible to delineate a general broad structure for the contract, consisting of a set of chapters, as will be seen below:

Affirmations

The purpose of this chapter is to embody in written form the general data relating to the contracting parties and, to some extent, to furnish a description of them, the foreign party with his capacity to purvey and the local party with his requirements. The purveyor, transferor or licensor of the foreign technology should describe the salient aspects of his enterprise, together with the resources at his disposal and the techniques and processes which render him physically and legally appropriate for the transfer of technological elements or components. He must also affirm his preparedness to conclude the contract with the recipient or licensee. The latter, in his turn, furnish a general description of his enterprise and state the grounds for his wish and need to establish the contractual relationship with the purveyor.

Definitions, abbreviations and expressions

This chapter, the theoretical framework of the contract, is important because if disputes or difficulties regarding interpretation should arise during the period of validity of the contract, here there will be found the definition of words, expressions or idioms which, owing to their technical nature or linguistic distortion, would be incomprehensible for many persons were they to figure in the basic articles of the meetings of the minds. It must be remembered that each particular contract for transfer of technology creates its own language and that there are contracts which cause difficulties of interpretation for advocates, judges and officials, and are comprehensible only to the few experts in each special field.

For this reason it is wise to embody all necessary definitions in this chapter, so that when the occasion arises it will be possible to dispel any doubts regarding the meaning or scope of the contract, and thus to avoid unpleasant surprises and future disputes.

Purpose and scope of the contract

This is the structural framework of the contract. It identifies the basic technology which the licensor is going to transfer, and gives a detailed description of the components thereof, such as the trade marks and patents which are to be licensed, the type of technical assistance which is to be furnished, the nature of the resources to be placed at the disposal of the licensee and so on. A statement should also be made of the basic situation governing the field of application, and the use or the prosecution of the activities covered by the contract, e.g., in respect of which products and processes and subject to which limitations or rights the purposes of the meetings of the minds will be carried out. Similarly, it must be specified in which territory the manufacture and/or sales will be effected, and whether that territory enjoys exclusivity or not.

Patents and trade marks

If the contract for transfer of technology involves a licence for the use of patents and/or trade marks, which is not always the case, the way in which these are to be used must be stipulated, since use may infringe the rights of third parties or may create acquired rights, and furthermore there may occur cases of licence contracts, the rights under which do not belong to the licensor, with possible damage and loss to individual property. For this reason it is necessary to anticipate such situations and ways of meeting them. Similarly, it is advisable to state the use to which the relevant elements of industrial property are to be put, in terms of physical form, materials, quality, place, type of product etc.

Innovations and improvements

The licensor is free to make innovations or improvements to the technology, since he is the first user and is thoroughly acquainted with it. Constant application of the technology will also enable the licensee to introduce improvements as regards composition of [plant?],⁺ raw materials, physical characteristics of the medium, energy sources, usages and customs etc.

Sometimes these innovations are of value, whether or not they are patentable. It is advantageous for the licensee that the licensor should accept the obligation to communicate future improvements in the technology or at least the basis for their negotiation. Nevertheless, it is difficult to foresee the creative capacity of the purveyor.

Provision of information, technical assistance and services relating to the administration and operation of the enterprise

Depending on the content of a contract, a special chapter or section can be dedicated to each subject. If the contract concerns the provision of information, the relevant articles should refer to the measures to be taken by the licensee to avoid improper communication, dissemination or use of the information received. For this purpose preventive legal procedures should be established, together with adequate provision to fix the period during which secrecy or confidentiality must be preserved - which may not exceed the duration of the contract when the latter relates to transfer of ownership - and guarantees regarding the veracity, precision and outcome of what has been transferred.

In the case of technical assistance, provisions will be included regarding training of personnel, and the design of engineering, technological, commercial, marketing, administrative and operational, planning, and research and development services. Within the general framework of the contract there will be chapters or sections whose importance will depend on the objectives being pursued by the contracting parties. Thus, for example, there may be reference to various aspects such as production and, associated therewith, quality control, subcontracting, production volumes etc. and/or marketing, with references to distribution channels, promotional activities, imports and exports, selling prices etc.

Form of payment

Settlements, prices, remunerations, royalties, instalments, etc. comprise the financial obligation which the recipient of the technology accepts. One form of payment, perhaps the simplest of all, is a one-time payment which, once effected, extinguishes all obligation on the part of the recipient. This form is of value for the recipient when he is thoroughly acquainted with the technology being received. Payment in the form of royalties as such is more usual since it is a flexible system, adaptable to the changing business world. There are essentially three bases for calculation: production volumes, sales, and profits. Royalties on sales are calculated in two ways: on the net selling price or on the gross selling price.

Within the various forms of payment there are also a number of possibilities: a minimum royalty payment; royalties decreasing as a function of time and production volume; maximum royalties, which may involve the fixing of a limit on production; there is also the fixed instalment arrangement, whether annual, or in respect of production, or per technological package etc. Each form may occur alone or in combination with others.

For purposes of payment, it is normal to arrange between the contracting parties the currency to be used for meeting obligations; in some cases it is usual to include the operational rate of exchange and the system of adjustment in case of fluctuations.

Other aspects

The final aspects of the contract may constitute a separate chapter dealing, for example, with the following matters: period of validity; failure to comply with any clause; when non-compliance is regarded as fraudulent or culpable, what the aggravating or mitigating circumstances will be; how various charges will be allocated; grounds for termination and their consequences; rules laid down for interpreting the contract in order to settle disputes; language to be used; applicable laws and competent courts; organization of arbitration, and compliance with arbitral awards.

DRAFT CONTRACT

CONTRACT

FOR

(LICENCE/TECHNICAL ASSISTANCE/PATENTS, ETC.)

Contract concluded on the _____ day of _____ in the year _____
between _____ a company incorporated under the laws
of the Republic of Colombia, whose address is _____
(hereinafter referred to as the "LICENSEE OR CONCESSIONAIRE"), represented by

and, on the other hand,

a corporation organized under the laws of

whose legal domicile is _____,
and represented by _____
(hereinafter referred to as the
"LICENSOR" OR "PURVEYOR").

I. AFFIRMATIONS

1. The "Licensee" affirms his interest and wish to obtain the technical knowledge necessary to design and construct a plant for manufacturing _____,
the technical knowledge pertaining to which is in possession of the "Licensor".
2. The "Licensor" affirms that he possesses technical knowledge and experience adequate for designing and constructing a plant for the production of _____, and that he has acquired technical knowledge and experience adequate for manufacturing the products covered by this contract.

Now, therefore, the contracting parties agree as follows:

II. ARTICLES

1. DEFINITION OF THE PRODUCTS COVERED BY THE LICENCE

The term "product covered by the licence" used here comprises
(this should be stated in detail and include components, specifications and spare parts. In the case of a specific technological process, this should be defined).

2. CONCESSIONS (Purpose of the contract)

By these presents, the licensor concedes to the licensee exclusive (non-exclusive) rights for designing, manufacturing and selling the products covered by this licence in Colombia (mention here any other countries for which the licence is exclusive).

3. SCOPE OF THE TECHNOLOGY OR PURPOSE OF THE CONTRACT

3.1 Subject to the terms and conditions laid down in these articles, the scope of the technical assistance in the form of documentation and technical and commercial information, the details of the technological process or manufacture, and the specific technical services to be supplied by the licensor will be the following: (here there should be a clear definition of the scope of the technical assistance. If necessary, a more detailed explanation thereof can be annexed to the contract. Should the technology extend to various fields, including basic engineering, detail engineering, concessions for the use of trade marks and patents, technical knowledge and other technical services, a description thereof should be annexed, accompanied by a reference to this article).

3.2 Within days following the entry into force of this contract, the licensor shall supply to the licensee the following technical documentation and information: (here should be mentioned, and included as an annex, the details of the documentation, such as specifications, drawings, photocopies, reference lists, flow sheets, formulae, manufacturing data etc. The manner and form of delivering the documentation in question, including the number of copies etc., should also be specified).

3.3 Within a period of the licensor shall supply to the licensee the technical information or any other data, in accordance with the following provisions: (in cases where the technical documentation is supplied in two or more stages, a detailed statement should be given of the information to be furnished at each stage).

3.4 In addition to the technical assistance rendered under this contract, the licensor shall furnish the licensee with assistance connected with the design of the product, the design and engineering of the plant, the operation of the latter, information on marketing, packaging etc., through the intermediary of members of the licensor's staff duly qualified to carry out such activities.

3.5 The licensor shall agree to the training of persons belonging to the licensee's staff at the former's plant during the following periods (this training should be so programmed as to ensure the transfer of manufacturing techniques and methods permitting the proper fabrication of the products covered by this licence at the cost of the licensee, and will be carried out in progressive stages to be agreed. Selection of staff for training will be the responsibility of the licensee, who will also pay the travel costs of the

licensor's personnel from their workplace, together with subsistence and lodging expenses).

4. PATENTS

4.1 The transfer of technology or know-how by the licensor under the terms of this contract shall include the grant to the licensee of the rights pertaining to some or all of the licensor's patents relating to the technology transferred (a list of the patents included in this contract should be annexed).

4.2 During the period of validity of this contract, the licensor shall hold the licensee, his agents and his employees etc. harmless or compensate them in respect of any claim or risk arising in connection with any presumed violation or violation of any patent right held by third parties in Colombia or elsewhere, as a result of the manufacture and sale of the products covered by this licence. In case of a claim, the licensee shall report thereon immediately, and licensee and licensor shall jointly conduct any negotiations, disputes or legal proceedings. The licensor shall repay to the licensee, within [omission in original?] days following receipt of the claim and the necessary documentation, any sum which the licensee is called upon to pay to third parties as the result of the above-mentioned legal proceedings, including all costs and fees arising thereunder.

The licensor further undertakes to defend the licensee against any claim by third parties concerning patents of the licensor connected with the products covered by this licence, and shall reimburse the licensee for any costs incurred by the defence.

5. TRADE MARKS AND COMMERCIAL NAMES (Optional article)

The licensee shall be authorized to use the commercial names
..... registered by the licensor for the products covered by the licence, in connection with sales within the country and/or for export, during the period of validity of this contract. The licensee shall be entitled to introduce a trade mark of his own to distinguish the articles produced under licence, connected with the foreign trade mark.

6. TERRITORY

6.1 The licensor shall grant to the licensee the exclusive/non-exclusive right to sell the products covered by this licence in Colombia and in all other countries.

7. INNOVATIONS AND IMPROVEMENTS

7.1 The licensor undertakes to communicate to the licensee, without any additional costs, all information and details relating to any improvement in the manufacturing processes and techniques during the period of validity of the contract; such improvements shall include new patents or patent applications.

7.2 In cases where improvements are effected by the licensee, including new patents during the period of validity of the contract, the licensor shall be entitled to these improvements; in such cases the licensor shall agree to remunerate the licensee to an extent that shall be not less favourable than that stipulated in this contract.

8. PAYMENTS

8.1 The licensee shall pay to the licensor royalties at the rate of ... per cent of the value of the net sales of products manufactured with the technology stated in this contract. (Here the contracting parties should define what is understood by net sales in each case.)

9. CURRENCY OF PAYMENT

Payments to be effected under this contract shall be made in ... (currency).

10. GUARANTEES

10.1 By these presents the licensor guarantees that the engineering data and the technical information services relating to the manufacturing processes will be complete and adequate so as to enable the licensee to manufacture the products covered by this contract and attain a production of (this should be specified in cases where the guarantees refer to specific production levels, obtained on the basis of given technological processes).

10.2 The licensor undertakes to furnish technical advice and any assistance to the licensee which may be necessary for the fulfilment of this guarantee. (In connection with contracts involving the transfer of technology in various fields, including engineering services, etc., specific operational guarantees should normally be given, and should include compensation or prescribe penalties for cases of non-fulfilment.)

10.3 The licensor guarantees that the technology to be supplied to the licensee under this contract for the design/manufacture of the products covered thereby will be of good quality and fully compatible with the technology applied by the licensor for manufacturing similar products. In any case, however, the licensee shall be entitled to make the changes necessary to adapt the technology to the particular conditions of his own production level and to market requirements.

11. CONFIDENTIALITY

The licensee undertakes to preserve the confidentiality of all designs, drawings, technical information and know-how furnished by the licensor and shall not divulge any part thereof, except what is normally required for the sale and use of the products covered by the licence, and for the manufacture of parts and/or components or raw materials within Colombia. The licensee shall place his staff under a strict obligation not to divulge the know-how, in any circumstances, during the period of validity of the contract.

12. SUB-LICENSING

The licensee shall (or shall not) be authorized to sub-licence the technical know-how to third parties in Colombia. The terms of sub-licensing shall be mutually agreed between the parties involved, including the licensor.

13. APPLICABLE LAW

This contract shall be interpreted and governed by the laws of Colombia.

14. LANGUAGE

This contract shall be drafted in Spanish and in English and the text in the latter language shall be regarded as authentic.

15. POSSIBILITY OF TRANSFER

This contract may not be transferred unilaterally by one of the parties without the prior and written consent of the other, provision being made that the successors of both parties shall be obliged to comply with the obligations of the latter under this contract.

16. MOST-FAVoured LICENSEE

The licensor undertakes that, should the know-how be granted under licence to any other licensee by means of a contract relating to the products covered by this licence and on conditions more favourable than those here stipulated as regards payments for technology, fixing of prices and components and semi-finished products and similar items, such conditions shall likewise extend to the licensee under the present contract for the rest of the period of validity thereof.

17. VIS MAJOR

Fulfilment of this contract shall be subject to the effects of vis major.

18. TERMINATION OF THE CONTRACT AND RIGHTS SUBSEQUENT THERETO

18.1 This contract shall terminate on expiration of its period of validity. Upon expiration of the contract, the licensee shall be entitled to continue using the know-how furnished by the licensor during the period of validity thereof, including the rights to the patents of the licensor in force at the date of termination of this contract, until the lapse of any of the patents.

18.2 In case of the bankruptcy, liquidation, insolvency or assignment in favour of creditors of either of the parties, the other party may terminate this contract by written notice served days in advance.

18.3 If either of the parties should fail to remedy any significant omission within a period of days, the other party may terminate the contract, in writing, without prejudice to any action for damages which that party may bring against the defaulting party.

19. PERIOD OF VALIDITY OF CONTRACT

The duration of this contract shall be years as from the date of commencement of manufacture of the product or products covered by it, subject to prior approval by the Royalties Committee of Colombia.

20. ARBITRATION

Any disputes arising between the parties in connection with the implementation and/or interpretation of this contract shall be submitted to a board of three arbitrators, one arbitrator being appointed by each of the parties and the third on the basis of mutual agreement. The board of arbitrators shall sit in Bogotá or another Colombian city, and shall deliberate without procedural formalities and guided by considerations of equity.

21. NOTIFICATIONS AND CORRESPONDENCE

All notifications and correspondence required under this contract shall be drafted in the language and addressed as follows Any change in legal domicile shall be notified by the party concerned to the other party by registered mail with recorded delivery.

In witness whereof, the parties by these presents have signed this contract

..... in at

Signed for and on behalf of

.....

Signed for and on behalf of

.....

Witness

Witness

TECHNOLOGY TRANSFER CONTRACT

REPUBLIC OF KOREA

Contents of the Contract

Article 1	Definitions
Article 2	Grant of license
Article 3	Sales information
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Article 8	Records, auditing and reports
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THIS AGREEMENT, made and entered into on ... of19 by and between a corporation organized and existing under the laws of , having its main office and place of business at(hereinafter referred to as "Licensor") and a corporation organized and existing under the laws of the Republic of Korea, having its main office and place of business at Republic of Korea (Hereinafter referred to as "Licensee").

WITNESSETH:

WHEREAS, Licensor has long been engaged in the manufacture and sale of () Products (hereinafter referred to as "the Licensed Products"); and

WHEREAS, Licensor has acquired and possesses valuable technical information on the design, manufacture, erection and use of the Licensed Products; and

WHEREAS, Licensor has the right to grant a license to use Technical Information (or Industrial Property Rights) in connection with the Licensed Products; and

WHEREAS, Licensee desires to obtain, and Licensor is willing to grant, the right and license to manufacture, use and sell the Licensed Products utilizing technical information furnished by Licensor.

NOW, THEREFORE, in consideration of premises and covenants hereinafter set forth, the parties hereto agree as follows:

Article 1 - DEFINITIONS

As used in this Agreement, the following terms have the following meanings respectively:

1. "Licensed Products" mean as mentioned below. As to details of the Products, the stipulation of Appendix hereto shall apply.
2. "Technical Information" means all the technical knowledge, know-how, standard calculations, data and information developed or otherwise generally used by Licensor pertaining to the manufacture, use and sale of the Licensed Products.
3. "Contract Territory" means the territory subject to the Government of the Republic of Korea.
4. "Industrial Property Rights" mean any or all rights under patents, utility models and application therefore presently owned or hereafter acquired by Licensor and/or which Licensor has or may have the right to control or grant license thereof during the term hereof and which are applicable to or may be used in manufacture of the Products ().

5. "Licensed Trademarks" shall mean the trademarks which are specified in Appendix () hereto.

Article 2 - GRANT OF LICENSE

1. Licensor hereby grants to Licensee (an exclusive, a non-exclusive) right to manufacture, use and sell the Licensed Products using the Industrial Property Rights and Technical Information furnished by Licensor in the Contract Territory.
2. Licensor hereby grants to Licensee (an exclusive, a non-exclusive) right to sell the Licensed Products to any country in the world (except).

Article 3 - SALES INFORMATION

1. Upon written request of Licensee, Licensor shall furnish Licensee with necessary drawings, technical data and price information on a breakdown basis in order to enable Licensee to prepare quotations, in so far as such information is currently available from Licensor.
2. To assist Licensee in selling the Licensed Products, Licensor will furnish licensee with one complete set of current materials generally used for sales promotion, such as brochures, catalogues and technical data available from Licensor, which cover the entire range of the Licensed Products.

Article 4 - TECHNICAL ASSISTANCE AND SERVICES

1. Licensor shall supply Licensee with the following data in order that Licensee may manufacture to the best advantage the Licensed Products without delay.
 - (a) Drawings for designing, manufacturing and assembling.
 - (b) Specifications.
 - (c) Materials list.
 - (d) General calculation sheet.
 - (e) Data for inspections and trial operations.
 - (f) Fabrication and assembly procedures.
 - (g) Operating and instruction manuals.
 - (h) Any other necessary technical data and know-how generally used by Licensor.
2. Licensor shall, by request of Licensee, permit a reasonable number of technical personnel designated by Licensee to have opportunity to study the design and manufacture of the Licensed Products at Licensor's place of business. Licensee shall advise Licensor, in advance, of the purposes, numbers, names, qualifications and probable lengths of stay of Licensee's designated personnel desiring to visit Licensor. Licensor shall arrange to make available qualified personnel for consultation with, and training of such Licensee's personnel. Cost for round trips, meals, lodging, and other expenses of Licensee's personnel despatched for training shall be borne by Licensee.

3. Upon written request of Licensee, Licensor shall send to Licensee, subject to availability of personnel and to mutual agreement, qualified engineers and/or technicians to render assistance and services to Licensee in connection with the manufacture, sale and operation of the Licensed Products for a reasonable period to be agreed upon by the parties hereto, provided, however, that Licensee agrees to bear the travelling expenses to and from () and living expenses in the Republic of Korea incurred by any such engineers and/or technicians. Licensor assures that such engineers and/or technicians are qualified with professional standards and reasonable skill, and will perform the assistance and services with care and diligence.()

Article 5 - IMPROVEMENTS

If at any time during the term of this Agreement one party hereto discovers or comes into the possession of any improvements or further inventions relating to the Licensed Products or in connection with the design, manufacture, use and sale of the same, the party shall furnish the other party with information on such improvements or further inventions without any delay and free of charge.

Article 6 - PAYMENT

1. In consideration of the Technical Information and the Industrial Property Rights furnished by Licensor to Licensee hereunder, Licensee shall pay to Licensor the following royalties in the amount and in the manner specified below.

(a) Initial Payment

Licensee shall pay Licensor the initial payment in US Dollars equivalent to (). Payment of the Initial Payment shall be made by means of telegraphic transfer remittance within () days from the date of approval of this Agreement by the authorities concerned, the Government of the Republic of Korea.

(b) Royalty

() percent of net selling price for each sale of the Licensed Products.

- (c) Net selling price shall be the gross invoice price of the Licensed Products sold or otherwise disposed of by Licensee in normal, bonafide, commercial transaction without any deduction other than the following items of expenses, if any, to the extent to which they are actually paid and included in the gross invoice price.

- 1) Sales discount
- 2) Sales returned
- 3) Indirect taxes on sales

- 4) Insurance premiums on sales
- 5) Packing expenses on sales
- 6) Transport expenses on sales
- 7) Sales commissions
- 8) Advertisement fee
- 9) Installation expenses at places where the Licensed Products are to be used.
- 10) CIF price, and import duties of the raw materials, intermediate goods, parts and other components purchased from Licensor.

(d) Royalty shall be computed for six month period terminating the last date of June and December of each year. Licensee shall make payment to Licensor within () days after receipt of relevant invoice from Licensor within () days after the last date of June and December of each year in the amount specified in Licensee's royalty statement mentioned in Article 8.

2. For the supervision and assistance by Licensor under paragraph 3 of Article 4, Licensee shall pay to Licensor service fees at the rates specified in Appendix () within () days after receipt of an invoice from Licensor.
3. All payments due under this article shall be made in (US currency,) strictly in accordance with this article, converted from Won at the official telegraphic transfer selling rate of exchange prevailing in Seoul, Korea on the expiry date of the immediately preceding () month period of the calculation of the royalties hereunder.
4. All payments made to Licensor hereunder shall be by means of official telegraphic transfer remittance, mail transfer remittance, banker's check or through non-resident foreign currency deposit account established at bank(s) in () in the name of Licensee and shall be remitted to the bank designated by Licensor.

Article 7 - SUPPLY OF COMPONENTS, PARTS AND RAW MATERIALS

1. Upon Licensee's written request, Licensor shall supply components, parts and raw materials to Licensee in due time and at reasonable and competitive prices.
2. Licensee shall open irrevocable Letter of Credit to buy components, parts and raw materials from Licensor.

Article 8 - RECORDS, AUDITING AND REPORTS

1. Licensee shall send its statement of royalties due for the immediately preceding () month period together with full evidences which Licensor may require, to reach Licensor not later than () days after the expiration of the immediately preceding () month period.

2. At the time of remitting the royalties, Licensee shall submit to Licensor a written report stating the net selling price, overall order price with clients, the number, and the type of the Licensed Products sold or used by Licensee under this Agreement during the () month period ended on June 30th and December 31st each year.

Article 9 - GUARANTEE

1. During the terms of this Agreement, Licensor shall be responsible for damage resulting from defective Technical Information and parts furnished to Licensee by Licensor.
2. Licensor shall not be responsible for consequential damages resulting from the faulty application of Technical Information by Licensee.

Article 10 - DURATION AND TERMINATION

1. This Agreement shall be effective for an initial period of() years from the effective date of this Agreement. After the end of this period, the Agreement shall expire without notice. The parties may agree to extend the term of this Agreement, provided, however, that any extension shall be subject to the necessary approval by the Government of the Republic of Korea.
2. If either party hereto continues in default of any obligation imposed on it herein for more than () days after written notice has been dispatched by registered airmail by the other party requesting the party in default to remedy such default, the other party may terminate this effect by registered airmail to the first party and this Agreement shall terminate on the date of dispatch of such notice.

In the event of bankruptcy, receivership, insolvency or assignment for the benefit of creditors of either party hereto, the other party may terminate this Agreement, effective immediately by giving the first party written notice to that effect.

Article 11 - USE OF TRADEMARK AND BRAND NAME

1. Licensor hereby grants to Licensee, upon the terms and conditions hereinafter specified, (an exclusive, a non-exclusive), non-assignable license to use the Licensed Trademarks during such time as this Agreement subsists in such manner as not to deceive the public, on and in connection with the Licensed Products. Licensor will not grant a License to use the Licensed Trademarks in the Contract Territory to any other third party in Korea during the term of this Agreement.
2. Licensee shall be entitled to use Licensed Trademarks on Licensee's letter headings, invoices and all advertising and promotional material in such form and in such manner as shall be approved at the first consulting in writing with the Licensor.

3. Each Licensed Trademark shall be used only after it has been duly registered with the Patent Office, and after this Agreement has also been duly registered with the Patent Office.
4. This License to use the Licensed Trademark is provided on a royalty free basis.
5. If this Agreement is terminated, Licensee shall immediately cease using the Licensed Trademark.

Article 12 - PATENT INFRINGEMENT

Should any Licensed Product manufactured by Licensee strictly in accordance with the Technical Information supplied by Licensor under this Agreement partially or totally infringe of patent right belonging to the third party which shall make a claim against Licensee for alleged infringement of such patent right, Licensee shall immediately by telex inform Licensor thereof and transfer the claim with all pertinent details to Licensor, who shall be responsible for handling of the claim and Licensee shall in no respect have any responsibility for the claim from such party.

Article 13 - SECRECY

Licensee agrees that it shall not without prior written consent of Licensor sell, assign or divulge the Technical Information disclosed and returned by Licensor hereunder in any manner to anyone except those of its employees and its subcontractors who will be using such information in the manufacture and erection of the Licensed Products.

Article 14 - TAXATION

Customs duties, taxes and any similar charges which may be imposed by the Korean Government with respect to this Agreement shall be borne by Licensee. All other customs duties, taxes and similar charges which may occur in () as a result of entering into this Agreement shall be paid by Licensor.

Article 15 - ARBITRATION

Any dispute arising under or by virtue of this Agreement or any difference of opinion between the parties hereto concerning their rights and obligations under this Agreement, shall be finally resolved by arbitration. Such arbitration proceedings shall take place in (Seoul, Geneva) in accordance with the applicable rules of arbitration of (the Korean Commercial Arbitration Board, the International Chamber of Commerce), but the proceedings should take place in English language. The decision of the arbitration proceedings shall be final and binding upon both parties.

Article 16 - Effective Date

It is clearly understood and agreed by both parties that this Agreement shall be deemed effective when all conditions imposed by the Korean Government and the Government of () shall have been met to the satisfaction of Licensor and Licensee.

The date of the latter of such government approval shall become the effective date of this Agreement. Licensee and Licensor shall notify in writing to the other party specifying the date of their respective Government's approval.

Article 17 - APPLICABLE LAW

This agreement shall be construed and interpreted in accordance with the laws of the Republic of Korea.

Article 18 - FORCE MAJEURE

Neither party shall be liable to the other party for nonperformance or delay in performance of any of its obligation under this Agreement due to causes reasonably beyond its control including fire, flood, strikes, labor troubles or other industrial disturbances, unavoidable accidents, governmental regulations, riots, and insurrections. Upon the occurrence of such a force majeure condition the affected party shall immediately notify the other party with as much detail as possible and shall promptly inform the other party of any further developments. Immediately after the cause is removed, the affected party shall perform such obligations with all due speed unless the Agreement is previously terminated in accordance with Article 10 hereof.

Article 19 - NOTICES

All communication notices or the like between the parties shall be valid when made by telegraph or telex communication subsequently to be confirmed in writing and addressed to the following addresses

To Licensee:

To Licensor:

Article 20 - LANGUAGE

1. The language to be used in rendering the Technical Information disclosed and furnished to Licensee by Licensor under this agreement shall be in English.
2. The language for correspondence between the parties and any documentation shall be in English.

Article 21 - ENTIRETY

This instrument embodies the entire agreement and understanding between the parties hereto relative to the subject matter hereof and there are no understanding, agreement's conditions or representations, oral or written, expressed or implied, with reference to the subject matter hereof that are not merged herein or superseded hereby. No modification hereof shall be of any force or effect unless reduced to writing and signed by the parties claimed to be bound thereby and no modification shall be effected by the acknowledgement of acceptance of any order containing different conditions.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

For and on behalf of

For and on behalf of

By:

By:

Typed name:

Typed name:

Position:

Position:

MODEL SERVICE AGREEMENT

MALAYSIA

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THIS AGREEMENT made and entered into thisday of 19....., by and between..... a corporation organized and existing under and by virtue of the laws ofand having its principal office of business at.....(hereinafter referred to as FOREIGN COMPANY) AND a corporation organized and existing under and by virtue of the laws of Malaysia and having its principal office of business at Kuala Lumpur, Malaysia. (hereinafter referred to as the MALAYSIAN COMPANY).

WITNESSETH:

In consideration of the promises and the mutual covenants hereinafter contained and each party executing this agreement with intention of being legally bound thereto, the parties hereby agree as follows:-

Article 1 - DEFINITIONS

- (A) The term "PERIOD OF STAY" in this agreement shall mean a period from the day, the respective Engineer or Technician arrives in Malaysia to the day his period of service expires or is terminated in accordance with the laws of Malaysia.
- (b) The term "ENGINEER" as used in this Agreement shall mean the FOREIGN COMPANY's "qualified Engineer or Technologist" who has had college/university/technical education and with adequate experience.
- (c) The term "TECHNICIAN" as used in this agreement shall mean the FOREIGN COMPANY's Technician or Foreman who does not come into the category of "ENGINEER".

Article 2 - PREVIOUS NOTICE

The MALAYSIAN COMPANY shall request the FOREIGN COMPANY for despatch of ENGINEER/TECHNICIAN stating number, time of despatch, respective duties and other necessary and pertinent information at leastdays prior to date of despatch.

On receipt of such information the FOREIGN COMPANY shall make proper selections of ENGINEER/TECHNICIAN and despatch him or them on the designated date mutually agreed upon between the FOREIGN COMPANY and the MALAYSIAN COMPANY.

Article 3 - PERIOD OF SERVICE

The period of service of each ENGINEER/TECHNICIAN shall be mutually agreed upon between the FOREIGN COMPANY and the MALAYSIAN COMPANY before his or their departure to MALAYSIA. In the first instance it is envisaged that the initial period of service would be formonth/months subject to review by both parties.

Each ENGINEER/TECHNICIAN shall return to the FOREIGN COMPANY immediately upon termination of his or their service period. The period shall be shortened by mutual agreement between the FOREIGN COMPANY and the MALAYSIAN COMPANY.

Provided however, in case of emergencies such as may endanger the life of lives of ENGINEER/TECHNICIAN and/or when it is impossible to pursue his/their duties, ENGINEER/TECHNICIAN shall be allowed to return to.....(country) immediately.

Article 4 - AIR TRAVEL

The MALAYSIAN COMPANY on its account shall send to the FOREIGN COMPANY return economy class air ticket from the Capital City of the FOREIGN COMPANY to the final destination in Malaysia, at leastdays prior to each ENGINEER's/TECHNICIAN's departure. The MALAYSIAN COMPANY shall attach Miscellaneous Charge Order for reasonable expenses relating to the personal baggages of despatched ENGINEER/TECHNICIAN per one way from the Capital City of the FOREIGN COMPANY to the final destination in Malaysia for the above-mentioned return air ticket.

Article 5 - SALARY

(a) The MALAYSIAN COMPANY shall pay each ENGINEER/TECHNICIAN the following predetermined salary in cash monthly.

ENGINEER : Malaysian currency equivalent
to.....

TECHNICIAN : Malaysian currency equivalent
to.....

(b) The MALAYSIAN COMPANY shall pay to each ENGINEER/TECHNICIAN on the day he arrives in Malaysia and hereafter at a certain fixed day in the beginning of each month the salary for the corresponding month as specified in (a) of this article.

Article 6 - REMITTANCE

In case ENGINEER/TECHNICIAN wish to remit a part of their salaries to the FOREIGN COUNTRY in.....currency, the MALAYSIAN COMPANY shall make every possible effort to take all the necessary procedures for remittance from the Government of Malaysia and other statutory bodies concerned.

Article 7 - TRAVELLING EXPENSE

The MALAYSIAN COMPANY shall pay to ENGINEER/TECHNICIAN the following travelling expenses, boarding and lodging expenses when they travel inside or outside Malaysia while performing the duties for the MALAYSIAN COMPANY.

Article 8 - FACILITIES

The MALAYSIAN COMPANY shall provide the ENGINEER/TECHNICIAN with similar conveniences and facilities in and out of the works to those made available to its other Malaysian employees doing similar work.

Article 9 - INTERNAL TRAVELLING

The MALAYSIAN COMPANY shall provide appropriate transport at the disposal of ENGINEER/TECHNICIAN for office work.

Article 10 - OFFICE SPACE

The MALAYSIAN COMPANY shall provide ENGINEER/TECHNICIAN with suitable office space for his or their use in the compound of the MALAYSIAN COMPANY's plant.

Article 11 - WORKING DAYS AND HOURS

The ENGINEER/TECHNICIAN shall work the same normal hours as the Malaysian counterparts.

Article 12 - GUARANTEE OF STATUS

The ENGINEER/TECHNICIAN shall obey the MALAYSIA COMPANY's instructions for performance of his or their duties and he or they shall not unreasonably refuse to enter into the MALAYSIAN COMPANY'S plant or shall not be interfered in performing duties or shall not suffer from deduction of compensations or any other disadvantages in performing duties or in daily lives against their will except when the performance of duties seems impossible because serious illness or injuries.

Article 13 - MEDICAL TREATMENT

All the fees and expenses for the supply of medicine and medical treatment for any ENGINEER/TECHNICIAN who may have contracted any disease or sustained any injury during this stay in Malaysia shall be borne by the MALAYSIAN COMPANY.

Article 14 - INSURANCE

The FOREIGN COUNTRY shall take out, for each ENGINEER/TECHNICIAN, life and accident insurance policy paying the necessary insurance premium, for the amount of US\$..... or equivalent in Malaysian Ringgit in FOREIGN COUNTRY'S favour with a first-class insurance company in Malaysia. This insurance shall cover the period from the ENGINEER'S/TECHNICIAN'S departure from(country) to his return to it.

Article 15 - TERM OF AGREEMENT

This Agreement shall take effect after the approval of the Ministry of Trade and Industry, Malaysia and continue to be valid foryears subject to review by both parties and subject to approval of the Ministry of Trade and Industry, Malaysia.

Article 16 - TERMINATION OF AGREEMENT

Either party may terminate this Agreement by giving to the other party written notice of intention to terminate at leastin advance of the expiration date of the then current term.

Article 17 - ARBITRATION

Any controversy of claim arising out of or relating to this Agreement or the breach thereto which cannot be settled by mutual agreement shall be settled by arbitration in Malaysia, upon the request by either party, in accordance with either the Malaysian Arbitration Act 1952 (rev. 1972) or Asian-African Local Consultative Committee (AALCC) Regional Centre for Arbitration Kuala Lumpur in accordance with United Nations Commission on International Trade Law (UNCITRAL) Arbitration rules as modified by the Centre. The decision of the arbitration shall be final and binding upon the parties hereto.

Article 18 - GOVERNING LAW

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

Article 19 - FORCE MAJEURE

- (a) If the performance of this Agreement is interfered with for any length of time, by act of God, war, civil commotion, riots, rebellion, revolution, epidemics and other similar occurrences which are beyond the control of either party, neither party will be held responsible for the non-performance of this Agreement for such length of time.
- (b) In case either party fails to fulfill its obligation hereunder due to the Force Majeure specified in (a) of this Article, such party shall notify the other party in writing of its intention without any undue delay and then in case the latter requires the certificate to prove the said Force Majeure issued by third party, which shall be public and/or official organization, the former shall forthwith forward the said certificate to the latter.

Article 20 - NOTICES

All notices required or authorized to be given hereunder shall be in writing and shall be directed to the addresses set forth below or to such other address as either of the parties may, from time to time, designate by notice in writing to the other. All notices so addressed if sent by registered airmail, shall be deemed to have been received on the fourteen (14) days next after the date on which such notices were posted.....

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed, by their representatives as of the day and year first above written.

For the FOREIGN COMPANY

.....

For the MALAYSIAN COMPANY

.....

**MODEL FORM OF TECHNOLOGY TRANSFER CONTRACT
MEXICO**

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MODEL FORM OF TECHNOLOGY TRANSFER CONTRACT
CONTRACT/COVENANT/AGREEMENT
FOR
(LICENSING/TECHNICAL ASSISTANCE/PATENTS, ETC.)

Contract/Agreement concluded this day
of between
a company established under the laws of Mexico, having its registered office at
..... (hereinafter
referred to as the "LICENSEE OR CONCESSIONAIRE"), represented by
....., and
a corporation established under the laws of
having its registered office at
(hereinafter referred to as the "LICENSOR OR PROPRIETOR").

PRELIMINARY STATEMENTS

1. Whereas the "Licensee" states that he is interested in and desirous of obtaining the technical knowledge necessary to design and construct a plant for the manufacture of, which knowledge is possessed by the "Licensor".
2. Whereas the "Licensor" states that he possesses the requisite technical knowledge and adequate experience for designing and constructing a plant for the production of and has acquired the expertise and experience for the manufacture of the products covered by the contract.

Now therefore the parties agree as follows:

ARTICLES

1. DEFINITION OF THE PRODUCTS COVERED BY THE LICENCE

The term "product covered by the licence", used herein, comprises (detailed information should be given, including components, specifications and spare parts. If a specific technological process is involved, this should be defined).

2. GRANT OF LICENCE (purpose of the contract)

The licensor hereby grants to the licensee exclusive (non-exclusive) rights to design, manufacture and sell the products covered by the licence in Mexico ... (any other countries in which exclusive licence for the products is granted are to be mentioned here).

3. SCOPE OF THE TECHNOLOGY OR PURPOSE OF THE CONTRACT

3.1 Subject to the terms and conditions laid down in these articles, the scope of the technical assistance in the form of documentation and technical and commercial

information, details of the technological manufacture or process, and specific technical services to be supplied by the licensor, shall be as follows ... (a clear definition of the scope of the technical assistance is to be given here. If necessary, a detailed explanation of it may be appended. When technology transfer in several different forms is involved, including basic engineering, detail engineering, authorization for the use of trade marks and the exploitation of patents, technical knowledge and other services, a description thereof, with a reference to this article, is to be appended).

3.2 Within ... days following the entry into force of this contract, the licensor shall provide the licensee with the following technical information and documentation ... (details of the documentation, such as specifications, drawings, photocopies, reference lists, flow charts, formulae, manufacturing data, etc. are to be given here and included in an appendix. The manner and form in which such documentation is to be supplied should also be specified, including the number of copies, etc.)

3.3 Within a period of the licensor shall provide technical information or other data, as set out below: (if the technical documentation is to be supplied in two or more stages, the detailed information to be furnished at each stage is to be indicated).

3.4 In addition to the assistance provided under this contract, the licensor shall render assistance to the licensee in connection with the design of the product, design and engineering of the plant and its operation, information on marketing, packaging, etc. through members of the licensor's staff duly qualified to carry out such activities.

(The foregoing shall include provision for associating the licensee's engineers and technical personnel closely with the branch of design in which the licensor operates. Specialized training programmes for the starting-up and normal operation of the plant shall include everything considered necessary with regard to technical practice.

3.5 The licensor agrees to train persons from the staff of the licensee at the licensor's plant for the following periods (the said training shall be so programmed as to ensure the transfer of manufacturing methods and techniques allowing of the proper manufacture of the products covered by this licence and shall be carried out at the licensee's expense, in successive stages, as arranged. The selection of the personnel for training shall be the responsibility of the licensee, who shall also pay the travel costs of the licensor's personnel from their workplace, together with subsistence allowances and accommodation costs).

4. TERRITORY

4.1 The licensor grants to the licensee the exclusive/non-exclusive right to sell the products covered by this licence in Mexico and in all other countries, except where the licensor has signed exclusive licensing contracts for manufacture and/or sale. A list of the countries in which the licensee is not authorized to sell the products covered by this licence is to be provided here.

5. IMPROVEMENTS

5.1 The licensor undertakes to pass on to the licensee, without cost, full information and details concerning any improvement effected in the manufacturing processes and techniques while the contract is in force; such improvements shall include new patents during the period of validity of the contract.

5.2 In cases where improvements, including new patents, are effected by the licensee during the period of validity of the contract, the licensor shall be entitled to all such improvements, in which case the licensor agrees to remunerate the licensee proportionally on terms no less favourable to the licensee than those provided for the licensor under this contract.

6. PAYMENTS (in consideration of the technology)

6.1 In consideration of the expertise and technology transferred in accordance with the terms of this contract, the licensee shall pay to the licensor the sum of ... in ... instalment(s) and/or a royalty at the rate of ... per cent of the value of the net sales of the manufactured products covered by this contract. (Where applicable, the form of payment agreed between the licensor and the licensee is to be noted).

6.2 No minimum royalty shall be payable/A minimum annual royalty at the rate of ... shall be payable from the date on which this contract comes into effect.

7. EFFECTIVE STARTING DATE OF THE CONTRACT

The contract shall come into force from the date on which it is signed, or from the date on which the first payment is made in compliance with Article 6.

8. CURRENCY OF PAYMENT

Payments to be effected under this contract shall be made in ..., in accordance with the provisions of Article 6.

9. DURATION OF THE CONTRACT

This contract shall run for ... years from the date on which it is signed/from the date on which it comes into effect/from the date on which the manufacture of the product(s) covered by the contract begins.

10. WARRANTIES

10.1 The licensor hereby warrants that the engineering data, services and technical information relating to the manufacturing processes will be complete and adequate, so as to enable the licensee to manufacture the products covered by this contract and to achieve a production level of ... (this should be specified whenever the warranties relate to specific production levels achieved on the basis of given processes or technology).

10.2 The licensor undertakes to provide the licensee with such technical advice and other assistance as may be required for the fulfilment of this warranty.

(In connection with contracts involving technology transfer in various forms, including engineering services, etc., specific operational warranties should normally be given, including provision for compensation or specifying penalties in the event of default.)

10.3 The licensor warrants that the technology to be supplied in compliance with this contract for the design/manufacture of the products covered thereby will be of a high standard of quality and in full conformity with the technology being used by the licensor for similar manufacturing purposes.

11. PATENTS

11.1 The transfer of technology or know-how by the licensor under the terms of this contract includes the assignment to the licensee of the rights pertaining to all or any of the licensor's patents relating to the technology transferred. (A list of the patents covered by this contract is to be appended.)

11.2 The licensor shall, during the period of validity of this contract, hold the licensee and his agents, employees, etc. harmless and indemnify them against any claim or liability arising in the event of alleged infringement of any patent right held by a third party, in Mexico or elsewhere, in connection with the manufacture and sale of the products covered by this licence.

In the event of any claim, the licensee shall immediately report thereon, and the licensor and licensee shall deal jointly with any negotiations, disputes and legal proceedings arising therefrom. The licensor shall refund to the licensee, within [? ...] days of the receipt of the claims accompanied by the necessary documentation, any sum that the licensee may have to pay to any third party as a result of the aforesaid legal proceedings, including any costs and fees connected therewith. The licensor further undertakes to defend the licensee against any third-party claim connected with the licensor's patents relating to the products covered by this licence and shall compensate the licensee for any costs incurred in such defence.

12. TRADE MARKS AND TRADE NAMES

The licensee shall be authorized to use the trade names ... registered by the licensor for the products covered by this licence in sales within the country/or for export or internal sales and exports during the period of validity of this contract (the trade name is to be specified).

13. CONFIDENTIALITY

The licensee undertakes to preserve the confidentiality of all designs, drawings, technical information and know-how furnished by the licensor and shall not divulge any part thereof, with the exception of information normally required for the sale and use of the products covered by the licence. The licensee shall place his staff and employees under a strict obligation not to divulge the know-how, in any case during the period of validity of the contract.

14. SUB-LICENSING

- The licensee shall (or shall not) be authorized, in case of need, to sub-license the technical know-how under this contract to any other firm or firms in Mexico. The terms of any such sub-licensing shall, however, be mutually agreed among the parties concerned, including the licensor.

15. APPLICABLE LAW

This contract shall be interpreted and governed by the laws of Mexico.

16. LANGUAGE

This contract has been drawn up in English and in Spanish and the English-language version shall be considered to be the original.

17. ASSIGNABILITY

This contract may not be assigned by either party without the prior agreement, in writing, of the other party, it being understood that such agreement shall not be unreasonably withheld as a result of a change in the ownership of either party, and that the successors of both parties shall be obliged to comply with the obligations of the parties under this contract.

18. MOST FAVOURED LICENSEE

The licensor undertakes that, should a licence be granted or know-how transmitted, by virtue of a contract concluded with any other licensee in connection with the products covered by this licence, on terms more favourable than those laid down in this contract with respect to payments for technology, the fixing of prices for components and semi-finished products, and so on, the said terms in so far as they may be more favourable than those stipulated in this contract, shall also be extended to the licensee under this contract for the remainder of the period it has to run.

19. FORCE MAJEURE

Performance of this contract shall be subject to the effects of force majeure.

20. TERMINATION OF THE CONTRACT AND RESIDUAL RIGHTS

20.1 This contract shall terminate on expiration of the period of its validity (10 years). Upon expiration of the contract, the licensee shall be entitled to continue using the know-how furnished by the licensor during the period of its validity, including rights to the licensor's patents which remain in force at the date of termination, until the lapse of any of the said patents.

20.2 In the event of bankruptcy, liquidation, insolvency or assignment, and for the benefit of the creditors of either of the parties, the other party may terminate this contract by written notice served ... days in advance.

20.3 If either of the parties should fail to remedy any significant omission within a period of ... days, the other party may terminate or cancel the contract immediately, in writing, without prejudice to any action for damages which that party may bring against the defaulting party.

21. ARBITRATION

Any disputes arising between the parties in connection with the execution and/or interpretation of this contract shall be submitted to a board of three arbitrators, one being appointed by each of the parties and the third on the basis of mutual agreement. The board of arbitrators shall sit at ... and shall deliberate without procedural formalities and guided by considerations of equity. It shall be based in a country that is neutral to that of the licensor or shall operate through the International Chamber of Commerce or a similar agency.

22. NOTIFICATIONS AND CORRESPONDENCE

All notifications and correspondence required for the purposes of this contract shall be in English and addressed as follows:

**GUIDELINES FOR DRAFTING AGREEMENTS ON TRANSFER
OF TECHNOLOGY, PATENTS AND TRADE MARKS
PERU**

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REPUBLIC OF PERU

Ministry of Economic and Financial Affairs

GUIDELINES FOR DRAFTING AGREEMENTS ON TRANSFER OF TECHNOLOGY, PATENTS AND TRADE MARKS

The following is an agreement drawn up and signed on the day of the month of of between (name of the licensor), a firm duly established and operating under the laws of ... (licensor's country) ... with residence at (licensor's address), hereinafter termed the "LICENSER", and the (name of the licensee), a firm duly established and operating under the laws of the Republic of Peru, with residence at, hereinafter termed the "LICENSEE".

WHEREAS CLAUSE

Whereas the LICENSER has been engaged for several years in the development, manufacture and sale of (names of the products), and possesses considerable technological experience in connection with the products

Whereas the LICENSER is the owner of (trade marks, patents);

Whereas the LICENSEE wishes to manufacture the products, receiving and using the know-how and technical assistance necessary, and to market them with the trade marks, in the form established further on;

Whereas the LICENSER is prepared to provide the LICENSEE with know-how, technical assistance and a licence to use the trade marks

CLAUSE I: DEFINITIONS

For the purpose of this Agreement, the following terms shall have the meanings described below:

- A. LICENSED PRODUCTS (list the products)
- B. TRADE MARKS

shall mean certain trade marks that are registered in the name of the LICENSER with the competent national organization of the Republic of Peru, as indicated below:

.....
.....
.....

C. PATENTS

shall mean certain patents that are registered in the name of the LICENSER with the national competent organization of the Republic of Peru, as indicated below:

.....
.....
.....

D. KNOW-HOW

shall cover information of a confidential nature on industrial and/or commercial formulae, processes and techniques; (the range runs from chemical formulae to special manufacturing techniques, including confidential information, trade secrets, laboratory reports, production specifications, specifications for raw materials, procedures and standards for quality control, designs etc.). It also includes administrative, financial and commercial systems.

E. TECHNICAL ASSISTANCE

shall mean the services provided by the LICENSER, consisting of visits by technical staff who shall give advice on a permanent basis throughout the period of the Agreement. The technical assistance is related to the duties of supervising production and/or marketing and training the personnel of the LICENSEE's or LICENSER's plant.

F. OTHER DEFINITIONS: such as NET SALES, etc.

CLAUSE II: PURPOSE OF THE AGREEMENT

Throughout the term of the present Agreement, the LICENSER shall undertake to provide know-how, technical assistance, trade marks and/or patent licences etc. for the manufacture and marketing of the licensed products.

CLAUSE III: SCOPE OF THE TECHNOLOGY

The LICENSER bound by the terms and conditions of this Agreement shall provide the LICENSEE with

(Here there should be a clear definition of the scope of the technology to be provided in different forms, including know-how, technical visits and training, quality control etc.)

(There should also be included a clause on the training of the LICENSEE's staff as established by the next training programme, which shall include, inter alia, the following points:

- (a) Specific and general objectives
- (b) Schedule of activities
- (c) Time within which the training should be completed
- (d) Place (outside and/or inside the country)
- (e) General requirements for the staff who will be giving the training
- (f) General requirements for the staff who will receive the training
- (g) Methods of training
- (h) Others)

CLAUSE IV: TERRITORY

The LICENSER shall grant the LICENSEE the exclusive (non-exclusive) right to sell the licensed products in Peru and in all other countries without limitation.

CLAUSE V: INNOVATIONS AND IMPROVEMENTS

The LICENSER undertakes to transmit to the LICENSEE without any additional costs all information and details relating to any improvement in the processes and techniques of manufacture during the term of the contract, with such improvements including new patents or applications for patents.

CLAUSE VI: GUARANTEES

The LICENSER shall guarantee that the technology to be supplied under this Agreement shall be of high quality and up to the standard of the technology used for similar manufactured products. Nevertheless, the LICENSER shall have the right to make any changes necessary to adapt the technology to his own production conditions and to the exigencies of the market. (In the case of agreements involving engineering services etc. it is normal to provide specific guarantees of operation establishing penalties for non-compliance.)

CLAUSE VII: CONFIDENTIALITY

The know-how provided by the LICENSER is confidential and shall only be used by the LICENSEE. The LICENSEE shall show sufficient care to ensure that any technical information or other technical data received from the LICENSER is not transmitted to third parties during the term of the contract.

CLAUSE VIII: ROYALTIES

The LICENSEE shall pay the LICENSER a royalty equivalent to

(Here the parties must indicate the form of payment with a breakdown of the contractual value of each item involved in the technology transfer that may be of relevance for purposes of licensing (trade mark, patents, know-how and technical assistance).)

To determine the royalty there must be specification of the amount on which to base the calculation, which may be net sales, volume of production etc.

CLAUSE IX: TERM OF AGREEMENT

The term of this Agreement shall be a period beginning on the actual date of it and continuing for

(Here the parties must specify the term of the contract, which shall not exceed 5 (five) years.)

CLAUSE X: LAWS, JURISDICTION AND ARBITRATION

The terms of this Agreement shall be construed in conformity with the laws and courts of Peru, under the jurisdiction of which the parties agree to place themselves.

CLAUSE XI: LANGUAGE

The version of the Agreement legally binding on the parties shall be the Spanish version.

CLAUSE XII: TERMINATION

(Here the parties must specify the grounds for advance termination of the Agreement, which shall be communicated to CONITE within a period of not more than 30 (thirty) days.)

In evidence of which the authorized representatives of the parties have hereby signed the Agreement in on the day and year

For the LICENSEE _____

For the LICENSER _____

MODEL LICENSING AND TECHNICAL ASSISTANCE AGREEMENT

PHILIPPINES

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THIS AGREEMENT made as of thisday of
19.....between:.....
.....and.....

WITNESSETH THAT:

WHEREAS, The Licensor has developed certain processes, methods, formulae and techniques used in manufacturing, storing and handling (description of the Process) and possess substantial valuable knowledge of a specialized nature relating to basic operational technical aspects of such processes, methods, formulae, techniques and reputation relative to the manufacture of.....;

WHEREAS, Licensor is and has long been engaged in the manufacture of articles ofand in the sale of such articles in theand elsewhere under the trademarks "....." and other trademarks or tradenames referred to herein;

WHEREAS, the Licensee desires to obtain, and the Licensor is willing to grant, a license for certain industrial property rights and to supply certain knowhow, technical information, and technical services and assistance to enable the Licensee to manufacture the product; and

WHEREAS, both the Licensor and the Licensee believe that it will be of mutual advantage for the Licensee to be granted an/a (exclusive or non-exclusive) right by licensor to manufacture and sell the product;

NOW, THEREFORE, in consideration of the above premises and of the mutual covenants and conditions, herein contained the Parties hereto have agreed and do by these presents agree as follows:

Article 1 - DEFINITION

For purposes of this Agreement, the following terms shall have the following meanings:

- A. "Technology" means the technology reflected in the invention(s) and industrial design(s) that is(are) the subject(s) of the patent(s) as well as the technology reflected by the knowhow.
- B. "Patents" mean those letters patent, utility models presently owned or hereafter acquired by the Licensor or in respect of which the Licensor has or may have the right to control or to grant licenses during the term of the Agreement which are applicable to or may be used in the manufacture of the product/application of the process, (include as a schedule list of patents covered).
- C. "Trademarks" mean the trademarks listed in Schedule No..... hereto.

- D. "Knowhow" means all the manufacturing knowledge, whether in the form of unpatented inventions, formulae, procedures and methods, current and accumulated skills or experience hereafter acquired insofar as may be necessary to the Licensee in the manufacture, use, sale or other disposition of the Licensed product.
- E. "Improvement" means any technological advance which is not reflected in an invention or industrial design that is the subject of the patent(s) but which is patentable or is the subject of a patent granted of an application for the grant of a patent.
- F. "Licensed Product" means (description of the Product), which is manufactured, assembled, used or sold (under this License) in accordance to the technology and information furnished pursuant to this Agreement. (If a long list of products is involved, attach as a schedule).
- G. "Licensed Territory" means the Philippines and any other country or countries where the right to manufacture the licensed product is granted herein.
- H. "Licensed Sales Territory" means the Philippines and any other country or countries to which the export of licensed products may be made.
- I. "Net Sales" (Standard Registry definition) - invoice value based on actual sales minus: (a) trade, quantity or cash discounts and broker's or agent's commission, if any; (b) return credits and allowances; (c) tax, excise or other government charges; and (d) freight, insurance and packaging expenses.

Article II - LICENSE GRANTS

- A. Licensor grants to Licensee an/a (exclusive/non-exclusive) license to manufacture Licensed Products in the Licensed Territory and to sell for use or use itself in the Licensed Sales Territory such licensed products and parts thereof.
- B. Licensor agrees to communicate or cause to be communicated to the Licensee all the knowhow subject to this Agreement not already heretofore communicated.

Article III - TECHNICAL INFORMATION

- A. Licensee shall be entitled to receive data, knowhow, formulations, and other assistance as set forth below with respect to licensed products.
- B. Licensor shall, furnish within a reasonable time the following information relating to licensed products:
 - a) raw materials or ingredients used in the manufacture of Licensed products;

- b) steps or processes involved in the manufacture of Licensed Products;
- c) results of technical investigations, tests, and researches conducted by licensor with respect to Licensed Products;
- d) any information concerning changes, modifications or improvements of the Licensed Products;
- e)
- f)
- g)
- h)
- i)

Article IV - TECHNICAL ASSISTANCE

- A. During the term of this Agreement, the Licensor shall provide and communicate to the Licensee all technical assistance required for the satisfactory manufacture of the licensed products, the marketing of the same and generally for the efficient operation of the Licensee's business. Such assistance may include but not by way of limitation, advice and services (given verbally or in writing) or the provision of samples, manuals, models, plans, papers and other materials in the following fields:
 - a)
 - b)
 - c)
 - d)
- B. At the request of Licensee, Licensor shall give on-the-job technical aid instruction to selected employees of licensee with a view to have them obtain and/or maintain the level of competence and experience required for the licensee to satisfactorily manufacture and market the licensed product and operate its business efficiently, at such times, for such periods and in such plant of Licensor in the (location) as may be determined by Licensor after consultation with Licensee but only to the extent permitted by law, and other commitments. Such instruction shall be without cost to Licensee, except that Licensee shall pay all salaries, travelling and living expenses of its employees while receiving said on-the-job instructions.
- C. Upon request by Licensee, Licensor shall send to the Licensed Territory subject to mutually acceptable arrangements as to the timing and likewise, subject to prior approval of the Philippines' Technology Transfer Registry or other appropriate agencies of the Philippine Government, its technical or other experts for tooling-up or for training the Licensee's staff or for inspecting the Licensee's plants or for assisting the Licensee on any problem or matter which requires on-the-spot assistance, such as in cases of emergency caused by difficulties or important irregularities in the production or in the quality of products.

- D. The licensee agrees to bear for such technical personnel (expenses related to dispatch of foreign technician in the Philippines).

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Article V - PATENTS AND TRADEMARKS

- A. Licensor grants Licensee the right to the patents covering the manufacture of licensed products.
- B. Licensee shall have the right to use the trademark/s owned by Licensor in connection with the Licensed Product provided the form and method of use shall be decided upon in advance by agreement between the Licensee and Licensor.
- C. The Licensee shall use the trademark/s precisely as spelt or drawn by Licensor and shall observe any reasonable directions given by the Licensor as to the color and size of the representations of the trademark and manner and disposition thereof on the product or its containers.
- D. Licensor shall defray all patent and trademark/s costs and expenses assessable against or incurred by Licensee in obtaining, owning under Licensor's name and maintaining the patents and trademark/s, including filing, prosecution, working and maintenance costs.

Article VI - CONSIDERATION

- A. In consideration of the rights, licenses and assistance granted, hereunder the Licensee shall pay to the Licensor as from effective date a remuneration equivalent toof the net sales (or other royalty base) of the Licensed Products manufactured and sold by the Licensee.
- B. Any withholding taxes payable in the Licensed Territory on the remuneration under A shall be for the account of the Licensor.
- C. All amounts payable hereunder shall be paid in (currency) funds subject to the rules and regulations of the Central Bank of the Philippines.
- D. If Licensee is prohibited from making any payment hereunder in (currency) funds, it shall immediately notify Licensor thereof and such payment shall be made in the currency selected by Licensor and permitted by Philippine laws.

 * May not be included

- E. The conversion from Philippine pesos to (currency) funds shall be at the official rate of exchange prevailing at the date of remittance.
- F. The Licensee shall keep true and accurate files and books of account or other records containing all the data reasonably required for the full computation and verification of the amounts to be paid and the information to be given in the statements provided for herein.
- G. The Licensee, shall during the usual business hours, permit the Licensor or Licensor's representative to inspect the same adequately for the sole purpose of determining the amounts payable by the Licensee. In lieu of inspection by the Licensor's representative, the Licensor shall have the option to have such inspection made at Licensor's expense by an independent auditor mutually acceptable to the parties hereto.

Article VII - WARRANTIES

- A. Subject to the terms and conditions hereinafter set forth, the Licensor warrants that the technology if used in accordance with Licensor's specific instruction is suitable for the manufacture of the licensed products pursuant to this Agreement.
- B. The Licensor also warrants that on the date of signing of this Agreement to the best of its knowledge, it is not aware of third parties' valid patent rights or similar protection for inventions which would be infringed upon by Licensee's use of the technology subject of this Agreement.
- C. It is understood and agreed that the warranty setforth above shall only apply if the product is manufactured in accordance with the specifications therefore and with the know-how and the technical information, technical services, assistance to be furnished under this Agreement.

Article VIII - IMPROVEMENTS AND DEVELOPMENTS

- A. The Licensor shall furnish to the Licensee, all information on improvements and developments in techniques and processes made on licensed products or acquired by the Licensor during the term of this Agreement whether patentable or not.
- B. The Licensee on the other hand, agrees to inform the Licensor of the facts of and to furnish the Licensor subject to a mutually agreed upon fee, all information made on improvements and developments made or acquired by the Licensee during the term of this Agreement.
- C. Each of the parties undertakes to inform the other in good faith and without reservation of any use of the Licensed Products not envisaged by him at the time when this Agreement was made which subsequently appear to him practicable or which he promises to put into effect.

- D. Nothing hereto shall restrict licensee from undertaking R&D activities designed to adapt the technology subject of this agreement to local conditions or to initiate R&D programs in connection with new product processes or equipment.

Article IX - EXPORT RIGHT

- A. Licensee may directly or indirectly export the products manufactured under this Agreement except to countries where such export will result to an infringement of either party's industrial property rights or where exclusive licenses to use the technology in those countries have already been granted by the Licensor.

Article X - DISCLOSURE, COMMUNICATION AND USE OF TECHNICAL INFORMATION

- A. During the term of the Agreement the Licensee shall:

- 1) not disclose or communicate the technical information of the Licensor which has been or may hereafter be made available to the Licensee directly or indirectly under this Agreement and which, at the time it is made available to the Licensee is specified by the Licensor and the Licensee as not to be disclosed or communicated to others.
- 2) use its best efforts to prevent duplication or disclosure of any such technical information except to third persons approved by Licensor in writing as authorized to receive the same and who to the satisfaction of the Licensor shall have agreed not to disclose the same.
- 3) limit access to such technical information to those of its employees as may reasonably require the same for use under this Agreement.
- 4) not use any of such technical information for any purpose other than for the manufacture of Product.
- 5) not make or cause to be made known to any third person any correlation or identity which may exist between, on the one hand, technical information supplied by the Licensor pursuant to this agreement and, on the other hand, any other technical information now or hereafter made available by third persons.

- B. The preceding obligations shall cease on the publication by the Licensor or any third person of information comprising or being part of the technical information to the extent of such publication (or of the Agreement by both parties that such information or part thereof is, or has become, a part of the public domain).

- C. Nothing contained herein shall in any way restrict or impair the Licensee's right to use, disclose or otherwise deal with any technical information received, directly or indirectly, from the Licensor, which:

- 1) at the time of its receipt is, or which thereafter becomes, part of the public domain by publication or otherwise, or
- 2) the licensee can show that such was on its possession at the time of receipt and was not acquired directly or indirectly from the Licensor, or
- 3) is independently made available to the Licensee after the time of receipt from the Licensor by a third person as a matter of right and which did not originate with the Licensor.

Article XI - INFRINGEMENT

- A. The Licensee shall promptly advise the Licensor in writing of any notice or claim of infringement and of the commencement of any suit or action for infringement of any patent against the Licensee which is based upon the use of any invention that is the subject of the Patent(s) or of any patent of an improvement granted to the Licensee and which is used by the Licensee under the authority and in accordance with the terms of this Agreement.
- B. The Licensor shall upon receipt of such notice and if promptly requested in writing so to do, undertake at its own expense the defense of any such suit or action and the Licensee shall have the right to be represented therein by advisory counsel of its own selection at its own expense. The Licensee agrees to cooperate fully in the defense of any such suit or action and to furnish all evidence in control.
- C. In the event the Licensee undertakes the defense of any such suit or action against it, the Licensor shall nevertheless bear the expenses of, and fully cooperate in, such defense and shall have the right to be represented therein by advisory counsel of its selection.
- D. Neither the Licensor nor the Licensee shall settle or compromise any such suit or action without the consent of the other if the settlement or compromise obliges the other to make any payment or part with any property or assume any obligation or grant any license or other rights or be subject to any injunction by reason of such settlement or compromise.
- E. The Licensor will release, acquit and discharge the Licensee from any and all claims or liabilities for infringement or alleged infringement of the Patents prior to the date of validation by the Philippine Government authorities of this Agreement.

Article XII - EFFECTIVITY

This Agreement shall be effective for a period ofyears (not exceeding five (5) years) from date of(execution or

approval by appropriate government authority). Any renewal thereafter shall be subject to prior approval of the Technology Transfer Registry of the Philippines.

Article XIII - TERMINATION FOR CAUSE

- A. In the event of failure or neglect of either party hereto to fulfill any of its obligations under this Agreement and if the other Party gives written notice of such default, then if such default is not cured within (period of time) after giving of such notice, the party giving such notice, shall have the right to terminate this Agreement at any time thereafter, provided the default is still in existence, by giving written notice of such termination to the defaulting Party.
- B. If either of the Parties hereto becomes insolvent or makes an assignment for the benefit of creditors or proceedings in voluntary or involuntary bankruptcy are instituted on behalf of or against the said Party or a Receiver or Trustee of the said Party's property is appointed, this Agreement shall forthwith terminate without further action or notice.
- C. Termination of this Agreement for any reason shall not release either party from any liability which at the effective date of termination may have already accrued to the other party nor shall such termination affect or prejudice either parties rights which may already have accrued as of the effective date of such termination.

Article XIV - FORCE MAJEURE

The parties agree that they will carry out their obligations under this Agreement correctly and punctually and with due diligence. They further agree that neither party shall be liable to the other for any loss, injury, delay, damages or other casualty suffered or incurred by the other party due to strike, irregular, industrial action, short of strike, riots, civil disturbance, fires, storms, explosions, acts of God, war whether declared or undeclared, superseding legislation, governmental or other regulations and directives or any other similar cause beyond the reasonable control of either party and any failure or delay by either party in performance of any of its obligations under the Agreement due to any of the foregoing causes shall not be considered as a breach of this Agreement. The party excused from performance by any of the foregoing causes shall promptly and diligently resume performance of its obligations hereunder as soon as the cause or causes excusing non-performance shall have been removed or terminated.

In such event, both parties will make the best possible arrangements by mutual agreement and according to the circumstances.

Article XV - GOVERNING LAW AND ARBITRATION

- A. The terms of this Agreement, its interpretation and the enforcement of any right arising hereunder shall be governed by the Laws of the Republic of the Philippines.

- B. The parties agree that in all matters relating to this Agreement, whether during its subsistence or after its termination, and also in all matters concerning the provisions of this Agreement where any question or dispute or difference shall arise between the parties, every such question, dispute or difference shall be settled in mutual good faith. In case of failures by the parties to reach an amicable settlement, such difference or dispute shall be finally settled through a Board of Arbitrators in accordance with the Procedure of Arbitration of the Arbitration Law of the Philippines, (or the UNCITRAL; or the Rules of Conciliation of the ICC). The venue of the arbitration shall be the Philippines.

- C. In the event of litigation, the venue shall be the proper courts in the place where Licensee holds its principal office.

Article XVI - SEVERABILITY CLAUSE

In the event of a conflict between any provision of this Agreement and any pertinent law, regulation, ordinance or decree, the provision of this Agreement so affected shall be regarded as null and void or shall be curtailed and limited to the extent necessary to bring it within the legal requirements but otherwise it shall not render null and void other provisions of this Agreement.

Article XVII - NOTICES

Notices to either party required under the terms of this Agreement shall be deemed sufficiently made if mailed to the appropriate party at the following respective address:

Licensor:

Licensee:

In witness whereof, these presents consisting of this and thepreceding pages are subscribed as follows:

For and in behalf of
Licensor

For and in behalf of
Licensee

By:.....
At:.....
On:.....

By:.....
At:.....
On:.....