

# Technology Licensing Agreement (India)

Licences patents, trade secrets, and know-how to a third party under Indian law

## HOW TO USE THIS TEMPLATE

1.	Use when licensing your patents, software, or proprietary technology to a third party.
2.	Define the Licensed Technology precisely — vague definitions cause royalty disputes.
3.	Specify exclusivity carefully — exclusive licences can block your own use if not drafted correctly.
4.	Record the licence at the Patent Office (Form 19) and Trade Marks Registry (Form TM-P) for enforceability.
5.	Have this reviewed by a qualified IP advocate before execution.

## PARTIES

Licensor — Full Legal Name	[Your company's full legal name and CIN]
Licensor — Address	[Registered office address]
Licensor — Represented by	[Name and designation of authorised signatory]
Licensee — Full Legal Name	[Licensee's full legal name and CIN / registration]
Licensee — Address	[Registered / principal address]
Licensee — Represented by	[Name and designation]
Agreement Date	[DD Month YYYY]
Effective Date	[DD Month YYYY — may differ from Agreement Date]

## RECITALS

1. The Licensor owns or controls certain intellectual property rights in and to the Licensed Technology described in Schedule 1, including patents, trade secrets, know-how, and related technical documentation.
2. The Licensee wishes to obtain a licence to use the Licensed Technology for the Permitted Use in the Licensed Territory, and the Licensor is willing to grant such a licence on the terms and conditions set out in this Agreement.
3. The Parties have negotiated this Agreement at arm's length, and the financial terms represent a fair commercial value for the licence being granted.
4. The Licensor wishes to ensure that the Licensed Technology is used only for the Permitted Use, that quality standards are maintained, and that the Licensor's intellectual property is protected.

NOW THEREFORE, the Parties agree as follows:

### 1. DEFINITIONS

**1.1 "Field of Use"** means the specific application domain, industry sector, or product category within which the Licensee is permitted to use the Licensed Technology, as defined in Schedule 2.

**1.2 "Improvement"** means any modification, enhancement, adaptation, derivative work, or new application of the Licensed Technology developed by either Party during the term of this Agreement.

**1.3 "Licensed Patents"** means the patents and patent applications listed in Schedule 1, including all continuations, continuations-in-part, divisionals, reissues, re-examinations, and extensions of such patents.

**1.4 "Licensed Technology"** means the patents, trade secrets, know-how, technical data, specifications, software, and documentation described in Schedule 1, as may be updated by written agreement from time to time.

**1.5 "Net Sales"** means gross revenues received by the Licensee from sales of Licensed Products, less: (a) trade discounts actually allowed and taken; (b) returns and credits; (c) freight, insurance, and customs duties separately identified on invoice; and (d) sales taxes and similar governmental charges, but NOT deducting any other costs including overhead, cost of goods, or distribution costs.

**1.6 "Licensed Products"** means any product or service that incorporates, is manufactured using, or is otherwise derived from the Licensed Technology.

**1.7 "Licensed Territory"** means the geographic territory in which the Licensee is authorised to use the Licensed Technology, as specified in Schedule 2.

**1.8 "Permitted Use"** means the specific use or application of the Licensed Technology authorised under this Agreement, as specified in Schedule 2.

**1.9 "Royalty Period"** means each calendar quarter during the term of this Agreement.

**1.10 "Sub-Licensee"** means any third party to whom the Licensee grants a sub-licence under this Agreement, subject to Clause 3.4.

## 2. GRANT OF LICENCE

**2.1 Licence Grant.** Subject to the terms and conditions of this Agreement, the Licensor hereby grants to the Licensee a:

<b>Exclusivity</b>	[Non-exclusive / Exclusive / Co-exclusive / Sole]
<b>Transferability</b>	[Non-transferable / Transferable with consent]
<b>Sub-licensable</b>	[Non-sub-licensable / Sub-licensable with prior written consent]
<b>Territory</b>	[As defined in Schedule 2]
<b>Field of Use</b>	[As defined in Schedule 2]
<b>Duration</b>	[For the term of this Agreement as specified in Clause 8]

licence to use the Licensed Technology solely for the Permitted Use within the Licensed Territory and Field of Use.

**2.2 Exclusive Licence Restrictions.** If the licence granted is exclusive within the Field of Use and Territory, the Licensor shall not, during the term: (a) grant any other licence to use the Licensed Technology within the same Field of Use and Territory; and (b) use the Licensed Technology itself within the same Field of Use and Territory, unless otherwise agreed in Schedule 2. Nothing in this Clause restricts the Licensor's use of the Licensed Technology outside the Licensed Territory or Field of Use.

**2.3 Retained Rights.** The Licensor retains all rights in the Licensed Technology not expressly granted in this Agreement. In particular, the Licensor retains: (a) the right to use the Licensed Technology outside the Licensed Territory and Field of Use; (b) all ownership rights in the Licensed Technology; (c) the right to file, prosecute, and maintain all patent applications and registrations; and (d) the right to grant licences outside the Licensed Territory and Field of Use.

**2.4 No Implied Rights.** No rights or licences are granted by implication, estoppel, or otherwise. Any rights not expressly granted in this Agreement are reserved by the Licensor.

### 3. RESTRICTIONS AND OBLIGATIONS OF LICENSEE

**3.1 Permitted Use Only.** The Licensee shall use the Licensed Technology solely for the Permitted Use within the Licensed Territory and Field of Use. Any use outside these parameters shall constitute a material breach of this Agreement.

**3.2 No Reverse Engineering.** The Licensee shall not reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code, underlying algorithms, or technical principles of the Licensed Technology, except to the minimum extent expressly permitted by applicable law.

**3.3 IP Notices.** The Licensee shall reproduce and display on all Licensed Products and related documentation all patent numbers, copyright notices, and other proprietary notices of the Licensor, in the form and manner specified by the Licensor from time to time.

**3.4 Sub-Licensing.** The Licensee shall not sub-licence its rights under this Agreement without the prior written consent of the Licensor. Any permitted sub-licence shall: (a) be in writing; (b) be subject to terms no less restrictive than those in this Agreement; (c) not extend beyond the scope of the licence granted to the Licensee; and (d) terminate automatically on termination of this Agreement. The Licensee remains primarily liable for the acts and omissions of any Sub-Licensee.

**3.5 Improvements.** Any Improvements developed by the Licensee to the Licensed Technology during the term shall be promptly disclosed to the Licensor. Ownership of Licensee Improvements shall vest in:

Ownership of Licensee Improvements	[Licensee (with grant-back licence to Licensor) / Licensor / Joint ownership] — specify in Schedule 2
Grant-Back Licence (if applicable)	[Non-exclusive, royalty-free, perpetual licence back to Licensor / No grant-back]

### 4. FINANCIAL TERMS

**4.1 Upfront Licence Fee.** On execution of this Agreement, the Licensee shall pay to the Licensor the upfront licence fee (if any) specified below:

Upfront Licence Fee	Rs.[Amount] / USD [Amount] / NIL
Payment Due	Within [30] days of the Effective Date
Payment Method	NEFT / RTGS / Wire transfer to Licensor's designated account

**4.2 Running Royalties.** The Licensee shall pay running royalties to the Licensor at the rates specified below, calculated on Net Sales of Licensed Products:

Annual Net Sales Band	Royalty Rate	Notes
Up to Rs.[X] crore	[X]% of Net Sales	Base rate
Rs.[X] crore to Rs.[Y] crore	[Y]% of Net Sales	Volume discount tier
Above Rs.[Y] crore	[Z]% of Net Sales	High-volume tier

**4.3 Minimum Annual Royalty.** The Licensee shall pay the Licensor a minimum annual royalty of Rs.[X] per year (the "**Minimum Royalty**"), regardless of actual Net Sales, beginning from the second year of the Agreement. If running royalties payable for any year are less than the Minimum Royalty, the Licensee shall pay the difference within [30] days of the year-end.

**4.4 Royalty Reporting and Payment.** Within thirty (30) days after the end of each Royalty Period, the Licensee shall deliver to the Licensor a written royalty report specifying: total Net Sales of Licensed Products during the period; the royalty rate applied; the total royalty due; cumulative annual royalties paid; and a breakdown by product category and geography. The royalty payment shall accompany the report. Late payments shall bear interest at [2]% per month compounding monthly from the due date.

**4.5 Audit Rights.** The Licensor shall have the right, not more than once per year on thirty (30) days written notice, to appoint an independent chartered accountant to audit the Licensee's books and records to verify royalty calculations. If an audit reveals an underpayment of more than [5]%, the Licensee shall pay the underpayment plus interest at [2]% per month and reimburse the Licensor for the reasonable cost of the audit.

**4.6 Taxes.** All payments under this Agreement are exclusive of applicable taxes. Withholding taxes on royalty payments shall be deducted and paid by the Licensee to the tax authorities, and the Licensee shall provide the Licensor with valid withholding tax certificates. GST on services, if applicable, shall be borne by the Licensee in addition to the royalty amounts.

## 5. INTELLECTUAL PROPERTY OWNERSHIP AND MAINTENANCE

**5.1 Licensor Ownership.** All Licensed Technology and all patents, trade secrets, and know-how included therein remain the exclusive property of the Licensor. Nothing in this Agreement transfers any ownership interest to the Licensee.

**5.2 Patent Maintenance.** The Licensor shall maintain in force all Licensed Patents by paying applicable maintenance fees. The Licensor shall notify the Licensee at least sixty (60) days before abandoning any Licensed Patent. If the Licensor decides to abandon a Licensed Patent within the Licensed Territory, the Licensee shall have the right (but not the obligation) to maintain the patent at its own expense, and the Licensor shall cooperate to transfer prosecution control to the Licensee for that patent only.

**5.3 Infringement by Third Parties.** Each Party shall promptly notify the other of any known or suspected infringement of the Licensed Technology by a third party. The Licensor shall have the first right to bring infringement proceedings. If the Licensor elects not to proceed within ninety (90) days of notice, the Licensee may (with the Licensor's written consent) bring proceedings at its own expense, and any recovery shall first reimburse the Licensee's costs with the remainder shared [50/50] between the Parties.

**5.4 Third-Party Claims Against Licensee.** If the Licensee receives any claim that use of the Licensed Technology infringes a third party's intellectual property rights, the Licensee shall immediately notify the Licensor. The Licensor shall have the right to control the defence of any such claim, and the Licensee shall cooperate fully. The Licensor's liability for IP infringement claims is limited as specified in Clause 7.

## 6. CONFIDENTIALITY

**6.1** Each Party shall maintain the other Party's Confidential Information in strict confidence during the term of this Agreement and for five (5) years thereafter. The Licensed Technology, royalty reports, and financial terms of this Agreement are Confidential Information of the Licensor. Each Party shall implement adequate security measures to protect Confidential Information and limit access to those employees and contractors with a genuine need to know.

## 7. WARRANTIES, REPRESENTATIONS, AND LIABILITY

**7.1 Licensor Warranties.** The Licensor represents and warrants that: (a) it has full legal right and authority to grant the licence in this Agreement; (b) to the best of its knowledge, the Licensed Technology does not infringe any third-party rights as of the Agreement Date; (c) the Licensed Patents are subsisting and have not been abandoned; and (d) the Licensor has not previously granted any conflicting exclusive licence within the Licensed Territory and Field of Use.

**7.2 Licensee Warranties.** The Licensee represents and warrants that: (a) it has full authority to enter into this Agreement; (b) it shall use the Licensed Technology only for the Permitted Use; (c) it shall comply with all applicable laws in connection with its use of the Licensed Technology; and (d) it shall not use the Licensed Technology in any way that disparages the Licensor or damages the reputation of the Licensed Technology.

**7.3 Limitation of Liability.** IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, including loss of profits or revenue, arising out of or relating to this Agreement, even if advised of the possibility of such damages. The maximum aggregate liability of either Party shall not exceed the total royalties paid or payable under this Agreement in the twelve (12) months preceding the claim.

## 8. TERM AND TERMINATION

<b>Initial Term</b>	[5 / 7 / 10] years from the Effective Date
<b>Renewal</b>	[Automatic renewal for [1]-year periods unless either Party gives [90] days notice] / [No automatic renewal]
<b>Termination for Breach</b>	Either Party may terminate on [30] days written notice if a material breach is not cured within that period
<b>Termination for Insolvency</b>	Automatic termination on insolvency, bankruptcy, or liquidation of either Party
<b>Termination by Licensor for Non-Use</b>	Licensor may terminate on [90] days notice if Licensee fails to commercialise within [X] years

**8.1 Effect of Termination.** On termination: (a) all licences granted herein shall immediately cease; (b) the Licensee shall immediately stop using the Licensed Technology and destroy or return all materials containing the Licensed Technology; (c) all royalties accrued to the termination date shall become immediately due and payable; and (d) surviving clauses are Clauses 5, 6, 7, 9, and 10.

## 9. RECORDATION AND REGULATORY COMPLIANCE

**9.1 Recordation at IP Office.** This Agreement shall be recorded at the Indian Patent Office (for licensed patents, using Form 19) and the Trade Marks Registry (for licensed trademarks, using Form TM-P) within thirty (30) days of execution. The cost of recordation shall be borne by the [Licensee / Licensor]. Until recorded, the licence may not be enforceable against third parties.

**9.2 Transfer Pricing Compliance.** If the Parties are related companies, the royalty rates in this Agreement shall comply with arm's length pricing requirements under Sections 92 to 92F of the Income Tax Act 1961 and applicable Transfer Pricing Regulations. The Parties shall maintain contemporaneous transfer pricing documentation as required.

## 10. GENERAL PROVISIONS

**10.1 Governing Law.** Governed by the laws of India. Disputes to be resolved by arbitration in [City] under the Arbitration and Conciliation Act 1996 with [1/3] arbitrator(s).

**10.2 Entire Agreement.** This Agreement, together with its Schedules, constitutes the complete agreement and supersedes all prior agreements on the subject matter.

**10.3 Amendment.** Amendments require written consent signed by authorised representatives of both Parties.

**10.4 Assignment.** Neither Party may assign this Agreement without prior written consent of the other, except to an Affiliate or in connection with a merger or acquisition.

**10.5 Severability.** If any provision is held unenforceable, the remainder continues in force.

**10.6 Stamp Duty.** Execute on non-judicial stamp paper. Stamp duty borne by [Licensee / Licensor / equally].

**10.7 Counterparts.** May be executed in counterparts. Electronic and PDF signatures are valid.

## SCHEDULE 1 — LICENSED TECHNOLOGY

Describe all patents, trade secrets, know-how, and technical documentation included in the licence:

No.	Description	Type	Patent/App. No.	Jurisdiction	Expiry
1.	[Description]	[Patent/Trade Secret/Know-how/Software/Other]	[No. or N/A]	[India/Global]	[DD/MM/YYYY Y or N/A]
2.	[Description]	[Patent/Trade Secret/Know-how/Software/Other]	[No. or N/A]	[India/Global]	[DD/MM/YYYY Y or N/A]
3.	[Description]	[Patent/Trade Secret/Know-how/Software/Other]	[No. or N/A]	[India/Global]	[DD/MM/YYYY Y or N/A]
4.	[Description]	[Patent/Trade Secret/Know-how/Software/Other]	[No. or N/A]	[India/Global]	[DD/MM/YYYY Y or N/A]

## SCHEDULE 2 — LICENCE PARAMETERS

<b>Licensed Territory</b>	[India only / India and SAARC / Asia Pacific / Worldwide]
<b>Field of Use</b>	[Specific description of permitted application domain]
<b>Permitted Use</b>	[Specific description of how the technology may be used]
<b>Exclusivity Scope</b>	[Exclusive within Field and Territory / Non-exclusive / Sole]
<b>Sub-Licensing Permitted</b>	[Yes — with prior written consent / No]
<b>Improvement Ownership</b>	[Licensee / Licensor / Joint — as specified above]
<b>Minimum Commercialisation Obligation</b>	[Licensee shall launch Licensed Products within [X] months of Effective Date]

## EXECUTION

LICENSOR	LICENSEE
[Licensor Full Legal Name]	[Licensee Full Legal Name]
Authorised Signatory: _____	Authorised Signatory: _____
Name: _____	Name: _____
Designation: _____	Designation: _____
Date: _____	Date: _____
Place: _____	Place: _____
Company Seal:	Company Seal:

### IMPORTANT NOTE

Record this Agreement at the Indian Patent Office (Form 19) and/or Trade Marks Registry (Form TM-P) within 30 days of execution. An unrecorded licence may not be enforceable against third parties. For international licences, comply with FEMA and RBI guidelines on royalty payments to foreign entities. Template only — not legal advice.