

Trademark Licensing Agreement (India)

Licences registered trademarks to a third party with quality control under Indian law

HOW TO USE THIS TEMPLATE

1. Use when licensing your registered trademark to a manufacturer, distributor, or franchisee.
2. Quality control provisions are essential — uncontrolled use can invalidate a trademark.
3. Record this Agreement at the Trade Marks Registry on Form TM-P for third-party enforceability.
4. Specify the goods/services classes covered — do not allow use outside licensed classes.
5. Regular inspection and audit rights are critical to maintain brand standards.

PARTIES

| | |
|----------------------------|-------------------------------------|
| Licensor (Trademark Owner) | [Full legal name, CIN, and address] |
| Licensee | [Full legal name, CIN, and address] |
| Agreement Date | [DD Month YYYY] |

1. DEFINITIONS

"**Licensed Marks**" means the trademarks, service marks, logos, trade names, and brand identifiers described in Schedule 1, including all existing and future registrations thereof in the Licensed Territory.

"**Licensed Goods/Services**" means the specific goods and/or services in connection with which the Licensee is authorised to use the Licensed Marks, as described in Schedule 2.

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

"**Quality Standards**" means the quality specifications, brand guidelines, product standards, and usage guidelines prescribed by the Licensor from time to time, as described in Schedule 3.

"**Royalty**" means the payment payable by the Licensee to the Licensor for the right to use the Licensed Marks, as specified in Schedule 4.

"**Goodwill**" means all goodwill and reputation generated by the use of the Licensed Marks, which shall inure solely to the benefit of the Licensor.

2. GRANT OF TRADEMARK LICENCE

2.1 Licence Grant. Subject to the terms of this Agreement, the Licensor grants to the Licensee a [non-exclusive / exclusive / sole] [non-transferable / transferable with consent] licence to use the Licensed Marks solely: (a) in connection with the Licensed Goods/Services; (b) within the Licensed Territory; (c) in compliance with the Quality Standards; and (d) in accordance with all applicable laws.

2.2 No Sub-Licensing. The Licensee shall not sub-licence the Licensed Marks without the prior written consent of the Licensor in each instance. Any permitted sub-licence must be in writing and on terms no less restrictive than

this Agreement, and the Licensee remains primarily liable.

2.3 Retained Rights. The Licensor retains all rights in the Licensed Marks not expressly granted. The Licensor may continue to use and license the Licensed Marks in any field and territory outside the licence granted, and may grant licences to third parties outside the Licensed Territory.

3. QUALITY CONTROL — CRITICAL PROVISIONS

3.1 Compliance with Quality Standards. The Licensee shall at all times use the Licensed Marks only in connection with Licensed Goods/Services that meet or exceed the Quality Standards prescribed in Schedule 3. The Licensee shall not make any changes to product quality, specifications, or presentation without prior written approval from the Licensor.

3.2 Pre-Launch Approval. Before launching any new product, marketing campaign, or promotional material bearing the Licensed Marks, the Licensee shall submit samples and materials to the Licensor for written approval. The Licensor shall respond within [15] business days; silence shall not constitute approval.

3.3 Inspection Rights. The Licensor shall have the right, on reasonable prior notice of not less than [5] business days (or without notice if a material quality breach is suspected), to inspect the Licensee's premises, products, manufacturing processes, and quality control systems to verify compliance with the Quality Standards. The Licensee shall provide reasonable cooperation and access.

3.4 Recall and Withdrawal. If the Licensor determines that any Licensed Goods/Services do not meet the Quality Standards, the Licensor may require the Licensee to immediately cease sale, recall distributed products, and remedy the quality failure. All costs of recall shall be borne by the Licensee.

3.5 Why Quality Control Matters. The Parties acknowledge that quality control provisions are essential not only for commercial reasons but also for legal reasons: a trademark owner who fails to exercise adequate quality control over licensees risks the trademark being challenged as having been abandoned or used in a manner that misleads consumers. These provisions protect both the brand and the validity of the trademark registration.

4. TRADEMARK USE AND ATTRIBUTION

4.1 Proper Use. The Licensee shall use the Licensed Marks only in the exact form approved by the Licensor, in accordance with the brand guidelines in Schedule 3. The Licensee shall not: (a) alter, modify, or combine the Licensed Marks with any other marks without approval; (b) use the Licensed Marks in any manner that degrades or dilutes them; (c) use the Licensed Marks as part of the Licensee's own trade name or company name without consent; (d) register or use any domain name containing the Licensed Marks without consent; or (e) apply for registration of the Licensed Marks or any confusingly similar marks in any jurisdiction.

4.2 Attribution Notice. The Licensee shall include on all products and materials bearing the Licensed Marks a notice in the form: "*[MARK] is a registered trademark of [Licensor's name] used under licence.*"

4.3 Goodwill Accrual. All goodwill generated by the Licensee's use of the Licensed Marks shall accrue solely to the benefit of the Licensor. The Licensee acknowledges that it has no right, title, or claim to any goodwill in the Licensed Marks, and shall not contest the Licensor's ownership.

5. FINANCIAL TERMS

| | |
|--------------------------|---|
| Upfront Licence Fee | Rs.[Amount] / NIL — payable within [30] days of execution |
| Running Royalty Rate | [X]% of Net Sales of Licensed Goods/Services |
| Minimum Annual Royalty | Rs.[X] per year from Year [2] onwards |
| Royalty Reporting Period | Quarterly — within [30] days after each quarter end |

| | |
|---------------------|---|
| Audit Rights | Annual audit right on [30] days notice; underpayment >5% triggers audit cost recovery |
| GST | GST applicable on royalty payments as per applicable rate |

5.1 Late royalty payments shall bear interest at [2]% per month compounding monthly from the due date until actual payment. Royalty reports shall be in the format prescribed by the Licensor from time to time.

6. PROTECTION OF LICENSED MARKS

6.1 Maintenance of Registrations. The Licensor shall be responsible for maintaining the trademark registrations for the Licensed Marks, including paying renewal fees and prosecuting renewal applications. The Licensor shall notify the Licensee if it decides not to renew any Licensed Mark registration.

6.2 Infringement Reporting. Each Party shall promptly notify the other of any known or suspected infringement of the Licensed Marks by a third party, any passing off, or any application to register a confusingly similar mark. The Licensor shall have the first right to take enforcement action.

6.3 Cooperation in Protection. The Licensee shall cooperate fully with the Licensor in any action to protect the Licensed Marks, including by providing evidence of use, executing affidavits, and appearing as a witness if required.

7. RECORDATION AT TRADE MARKS REGISTRY

7.1 The Parties shall jointly file Form TM-P at the Trade Marks Registry within thirty (30) days of execution of this Agreement to record the licence. Until the licence is recorded, it may not be enforceable against third parties under Section 52 of the Trade Marks Act 1999. The cost of recordation shall be borne by the [Licensee / Licensor].

8. TERM, TERMINATION, AND EFFECTS

| | |
|--|---|
| Term | [3 / 5 / 7] years from Agreement Date |
| Renewal | [Mutual written agreement to renew / Automatic [1]-year renewal with [90] days notice to terminate] |
| Termination for Breach | [30] days written notice and opportunity to cure |
| Termination for Quality Failure | Immediate on repeated or uncured material quality breach |

8.1 On termination, the Licensee shall: (a) immediately cease all use of the Licensed Marks; (b) destroy or return all materials bearing the Licensed Marks; (c) pay all outstanding royalties; and (d) cancel any domain names or accounts using the Licensed Marks at the Licensor's request.

9. GENERAL PROVISIONS

9.1 Governing Law. Governed by the Trade Marks Act 1999 and Indian Contract Act 1872. Disputes by arbitration in [City].

9.2 Entire Agreement. This Agreement and Schedules constitute the complete agreement on the subject matter.

9.3 Amendment. Written consent of both Parties required.

9.4 Stamp Duty. Execute on non-judicial stamp paper.

9.5 Counterparts. May be executed in counterparts. PDF and electronic signatures valid.

SCHEDULES SUMMARY

| | |
|--|---|
| Schedule 1 — Licensed Marks | [List all trademarks with registration numbers, classes, and territories] |
| Schedule 2 — Licensed Territory and Goods/Services | [Specify territory and exact goods/services classes] |
| Schedule 3 — Quality Standards and Brand Guidelines | [Attach brand guidelines, quality specifications, and approval process] |
| Schedule 4 — Financial Terms Detail | [Royalty calculation examples, reporting format, bank details] |

EXECUTION

| LICENSOR (TRADEMARK OWNER) | LICENSEE |
|----------------------------|--------------------|
| [Full Legal Name] | [Full Legal Name] |
| Signature: _____ | Signature: _____ |
| Name: _____ | Name: _____ |
| Designation: _____ | Designation: _____ |
| Date: _____ | Date: _____ |
| Place: _____ | Place: _____ |

IMPORTANT NOTE

Record this Agreement at the Trade Marks Registry (Form TM-P) within 30 days of execution. Failure to maintain quality control over a licensee can result in the trademark being challenged as abandoned or deceptive. Template only — not legal advice.