

## **Submitting an application to participate in the Auction**

The application for participation should be submitted:

- for Applicants-Sellers -until 24:00 Moscow time, 05.11.2012
- for Applicants-Buyers- until 18:00 Moscow time, 10.12.2012

Legal entities and individuals who may be considered buyers in accordance with the law of the Russian Federation have the right to participate in the Auction as Applicants-Buyers.

Application for participation in the Auction is an acceptance of the offer in accordance with Article 438 of the Civil Code of the Russian Federation.

Together with the request of the Applicant, Bidder Applicants should provide documents or copies of documents, confirming payment of the registration fee.

Registration fee is:

1.For Applicants-Sellers

Individuals - 3000 rubles (including VAT of 458 rubles.)

Legal entities - 10 000 rubles (including VAT of 1525 rubles.)

2.For Applicants-Buyers is not charged

Bank account details are as follows:

Current Account Number 40702810923000436648

in the Volga branch of the "Raiffeisenbank" JSC, Nizhny Novgorod

Tax Reference Number 7744000302,

Taxpayer Classification Code 526002001,

Bank ID Code 042202847

Correspondent Account Number 30101810300000000847

Recipient: "IECI" OJSC

Reference: registration fee for participation in the Auction.

The registration fee is considered paid at the moment of the actual bank acceptance to the account of the organizer of the Auction. With a starting price of the lot of more than 50 000 000 rubles registration fee to the Applicant-Seller will not be charged. Value of the lot in this case is recommended to be confirmed in the independent appraiser's report, prepared in accordance with the requirements of the Russian legislation on appraisal activity.

When submitting applications for participation in the Auction Applicants-Sellers should provide the following documentation:

1.Individuals, residents:

- photocopy of the passport;
- documents of title to offer intellectual property for sale;
- report of an independent appraiser on the market value of intellectual property offered for sale (if any);
- contact telephone number;
- bank details for money transfer.

2.Individuals, non-residents:

- photocopy of the passport;
- documents of title to offer intellectual property for sale;
- report of an independent appraiser on the market value of intellectual property offered for sale, composed in Russian, in accordance with the requirements of Russian legislation on appraisal activity (if any);
- contact telephone number;
- bank details for money transfer.

3. Legal entities, residents:

- brand name, including details of the legal form, information about the location, address, contact phone number, bank details;
- report of an independent appraiser on the market value of the offer for sale intellectual property rights (if any).

#### 4. Legal entities, non-residents

- extract from the commercial register or other document that attests to incorporation in the country of registration;
- legal documents on intellectual property offered for sale;
- report of an independent appraiser on the market value of intellectual property offered for sale, composed in Russian, in accordance with requirements of Russian legislation on appraisal activity (if any);
- bank account details.

All documents in foreign languages, including texts of seals in foreign languages, must have notarized translation into Russian attached.

Buyer Applicant when registering for the Auction provides the following documents:

##### 1. Individuals, residents:

- photocopy of the passport;
- contact phone number.

##### 2. Individuals, non-residents:

- photocopy of the passport;
- other documents confirming the legal capacity of a natural person in accordance with the personal law of the foreigner's country of registration;
- contact phone number.

##### 3. Legal entities, residents:

- company name, including details of the legal form, information about the location, address, contact telephone number.

##### 4. Legal entities, non-residents:

- documents certifying the capacity of the legal entity in accordance with personal law of the country of the legal entity registration;
- photocopy of the director's or his/her representative's passport .

### **Procedure for considering applications from Applicants-Sellers**

The Auction Organizer assigns a number to the application filled by the Applicant. In case the application is submitted by a representative of the Applicant, the Application with all the documents attached shall be submitted with duly executed proof of the representative's authority to act on behalf of the Applicant, and a photocopy of the passport.

The Applicant is not allowed to participate in the Auction in the following cases:

- submitted documents do not prove his/her right to be a buyer in accordance with the legislation of the Russian Federation;
- not all the documents are filled in properly;
- there is no confirmation to have received the registration fee in the bank of the Organizer at the agreed time.

The liability to prove his/her right to participate in the Auction is assigned to the Applicant.

The application filled in compliance with all requirements shall be registered by the Auction organizer in the order book immediately after receiving, indicating the date and time of the receipt. The application shall be deemed filled upon its registration in the order book and after giving the copies of application to the Applicant.

Applications received after the applications receipt deadline, referred to in the Auction documents, or submitted without the required documents, or sent by a person not authorized by the Applicant to carry out such actions, will not be accepted by the organizer.

Notice of refusal to accept the application, stating the reasons is made by a person performing registration of the documents, on the application form.

The organizer shall take measures to ensure the safety of the submitted applications and documents and confidentiality of the information on individuals who submitted them.

Participation in the Auction may be submitted in electronic form at <http://ieci.ru>.

Upon the receipt of the application for participation in the Auction as an electronic document, the Auction Organizer shall confirm in writing or by e-mail the fact of such application receipt within one business day. In case of submitting an application electronically the Applicant shall send paper forms of documents to the postal address of the Auction organizer, as indicated in the documents concerning the Auction.

The application and attached documents are reviewed by the Auction Commission invited by organizers of the Auction. The application and attached documents shall be considered for the following:

- compliance with applicable laws of the Russian Federation;
- meeting the requirements set by the Auction documentation;
- meeting candidate suitability requirements for Sellers.

Applications will be reviewed on an ongoing basis once a week at a regular meeting of the Auction Commission. Application of Applicants-Sellers shall be considered no longer than 5 business days after their receipt.

In case of non-compliance of the application, or attached documents to one of the points hereinabove, the organizer must inform the Applicant of such non-compliance.

Within 10 working days after the receipt of notice of non-compliance (but not later than the application deadline) the Applicant has the right to submit a revised application and / or attached documents. If, within 10 working days of the Seller does not provide corrected documents, his/her application shall not be allowed to participate in the Auction.

Results of the review of applications for participation in the Auction will be the basis for the Auction Commission's decision on the admission or refuse to admit Applicants-Sellers to the Auction.

The Commission's decision is verified by the Applications Review Protocol.

The Protocol is conducted by the Auction Commission and signed by all members of the Auction Committee who participated in the meeting.

The protocol should include information about the Applicant, the Seller, the decision on admission to participate in the Auction or of admission refusal with arguments for such decision.

Applicants are informed of the Auction Commission decisions not later than the day following the date of the Protocol signing.

In case the application is rejected and not included it in the catalog, the registration fee is returned to the bank account specified by the Applicant.

These protocols are posted by the Auction organizer or specialized organization at the official site of the Auction the day after the results of the applications review are recorded by the Protocol.

If the decision is taken to reject applications of all Applicants-Sellers, the Auction is considered canceled.

Applications that are approved should be listed in the Catalogue of lots. Applicants allowed to participate in the Auction, sign Contract of agency (Appendix 3) and the draft License agreement (Appendix 4).

Applicants-Sellers may withdraw the application at any time up to 18 hours 10/12/2012 Moscow time. In case the withdrawal of the application by the Applicant-Seller is done after adding the application to the Catalogue of lots, the registration fee is considered to be non-refundable.

Application Form for Applicant-Seller is presented in Appendix 1.

### **Procedure for considering applications from Applicants-Buyers**

Applicants-Buyers may only submit one application for each lot.

Applications received after the deadline date are considered invalid and are returned to the Applicant the same day. If by the end of application receipt period only one application is received or no applications are received, the Auction is declared cancelled.

The application form for Applicants-Buyers is presented in Appendix 2.

### **Documents necessary to make a deal**

To make a deal at the close of trading by signing the Rights Transfer Agreement **Sellers** shall provide the following documents:

1. Individuals, residents:

- the original Certificate of Individual Taxpayer Number and its copy;
- the original state pension insurance document and its copy.

2. Individuals, non-residents:

- (in cases established by law) photocopy of Russian visa. Visa should be valid on the date of signing the Rights Transfer Agreement;
- documents proving legal capacity of a natural person, in compliance with personal law of the country of the foreigner's registration.

3. Legal entities, residents:

- an extract from the Unified State Register of Legal Entities or a certified copy of such statement received no earlier than six months prior to the date of publication of the notice about the Auction at the official website of the Auction;
- a document confirming the authority of a person to act on behalf of the Seller - a legal entity (a copy of the decision on the appointment or the election of the representative, or a copy of an appointment order of a natural person for the position, according to which such natural person has the right to act on behalf of the Seller without authorization. In case when acting on behalf of the Seller is done by another person, a document empowering the representative to act on behalf of the Seller should also be submitted. It should be stamped by the Seller and signed by the director or a person authorized by this director, or a notarized copy of such document;
- copies of founding documents of the Seller;
- a decision of approval or a decision to commit a major transaction or a copy of such decision if such requirement is stated in the legislation of the Russian Federation and in founding documents of the legal entity and if signing the agreement or contract or paying the registration fee are a big deal for the Seller;
- notice of no decision on liquidation of the Seller, no decisions of the arbitration court declaring the Seller bankrupt and on the opening of bankruptcy proceedings, the absence of a decision on suspending the Seller's activity in procedure as stipulated by the Code of the Russian Federation on Administrative Violations.

4. Legal entities, non-residents:

- certificate of taxpayer registration and a document confirming the account opening in accordance with the Law on currency regulation and currency control (notarized copies);
- other documents certifying the legal capacity of the legal entity according to the personal law of the country of the legal entity registration;
- a document certifying the authority of the person to sign the contract on behalf of the Seller - legal entity.

**Buyers** provide the following documents:

1. Individuals, residents:

- the original Certificate of Individual Taxpayer Number and its copy;
- the original state pension insurance document and its copy.

2. Individuals, non-residents:

- (in cases established by law) photocopy of Russian visa. Visa should be valid on the date of signing the Rights Transfer Agreement.

3. Legal entities, residents:

- an extract from the Unified State Register of Legal Entities or a certified copy of such statement received no earlier than two months prior to the date of publication of the notice about the Auction at the official website of the Auction;
- a document confirming the authority of a person to act on behalf of the Buyer - a legal entity (a copy of the decision on the appointment or election of the representative, or a copy of an appointment order of a natural person for the position, according to which such natural person has the right to act on behalf of the Buyer without authorization. In case acting on behalf of the Buyer is performed by another person, a document empowering the representative to act on behalf of the Buyer should also be submitted. It should be stamped by the Buyer and signed by the director or a person authorized by this director, or a notarized copy of such document;
- copies of founding documents of the Buyer;

- a decision of approval or a decision to commit major transaction or a copy of such decision if such requirement is stated in the legislation of the Russian Federation, founding documents of the legal entity and if signing the agreement or contract or paying the registration fee are a big deal for the Buyer;
- notice of no decision on liquidation of the Buyer, no decisions of the arbitration court declaring the Buyer bankrupt and on the opening of bankruptcy proceedings, the absence of a decision on suspending the Buyer's activity in procedure as stipulated by the Code of the Russian Federation on Administrative Violations.

#### 4. Legal entities, non-residents:

- extract from the commercial register or other document that attests to the in the country the organization registration;
- Certificate of taxpayer registration and a document confirming a bank account opening in accordance with the law on currency regulation and currency control (notarized copies);
- a document confirming the authority of a person signing the contract to act on behalf of the Buyer - a legal entity.

All documents, including texts of seals in foreign languages must have notarized translation into Russian.

## Application Form for an Applicant-Seller

<b>Individual (natural person)</b>	
First, last name	
Individual Taxpayer Number	
Postal address	
Phone number	
Fax number	
E-mail	
<b>Legal entity</b>	
Full company name	
Abbreviated company name	
Individual Taxpayer Number	
Principal State Registration Number	
Registered address	
Current address	
Postal address	
Phone number	
Fax number	
E-mail	
Website URL	
<b>Lot</b>	
Lot name	
Lot composition	
Lot price	
Currency	
<b>Lot summary</b>	
Field of application	
A task to solve	
Key words	
Transfer of rights (alienation, exclusive license, non-exclusive license)	
Research and development results in this field	
<b>Additional information</b>	
IP authors	
Numbers and dates of documents of title	
Numbers and dates of applications	
Patent holder	
IP assessment	

## Application Form of the Applicant-Buyer

<b>Individual (natural person)</b>	
First, last name	
Individual Taxpayer Number	
Postal address	
Phone number	
Fax number	
E-mail	
<b>Legal entity</b>	
Full company name	
Abbreviated company name	
Individual Taxpayer Number	
Primary State Registration Number	
Registered address	
Current address	
Postal address	
Phone number	
Fax number	
E-mail	
Website URL	

## AGENCY CONTRACT

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«\_\_» \_\_\_\_\_ 2012

\_\_\_\_\_, hereinafter referred to as the Principal, and "IECI" OJSC (Open Joint-stock Company), duly represented by its Director General Belskaya Darya Evgen'evna, acting on the basis of the Charter, hereinafter referred to as the Agent, agreed as follows:

**1. Subject**

1.1. The Principal shall assign, and the Agent shall undertake the following duties:

- the Agent shall represent the Principal's interests in the sale of intellectual property as set forth in Paragraph 1.2 of the Contract. The sale shall be executed by the open tender at the First Russian Intellectual Property Auction (hereinafter referred to as the Auction) on the conditions stated by the Principal in the Application for participation in the Auction;
- if intellectual property owned by the Principal and mentioned in Paragraph 1.2 of the Contract is not sold at the Auction, the Agent shall search for potential purchasers for the said intellectual property until this Contract expires.

1.2. The Principal ascertains that at the time that the Parties enter into the Contract he (she) is the only rightholder of exclusive rights on intellectual property offered for sale, namely:

rightholder of the inventions \_\_\_\_\_, patent № \_\_\_\_\_ of \_\_\_\_\_;

rightholder of utility model \_\_\_\_\_, patent № \_\_\_\_\_ of \_\_\_\_\_;

rightholder of industrial design \_\_\_\_\_, patent № \_\_\_\_\_ of \_\_\_\_\_;

1.3. For the purposes of the Contract the Agent shall be deemed as the only commissioner of the Principal during the term of the Contract validity.

**2. Parties' obligations**

2.1. The Agent shall publish the information about intellectual property set forth Paragraph 1.2 of the Contract in the electronic catalogue of lots at <http://ieci.ru/>, and also in the paper catalogue, issued by the Agent before the Auction and for it.

2.2 The Agent shall offer intellectual property set forth in Paragraph 1.2 of the Contract, for sale.

2.3. If intellectual property set forth in Paragraph 1.2 of the Contract is not sold at the Auction, the Agent shall make necessary efforts to search potential purchasers of the said intellectual property until the Contract expires. The Parties have agreed that terms and conditions of the said search shall be set forth in a separate agreement.

2.4. The Agent shall:

- keep information containing trade secret of the Principal and provided by the Principal to the Agent in pursuance of this contract, confidential;
- disclosure information about the contract performance to the Principal, if such information is requested by the the Principal;

2.5. The Principal shall:

- render necessary assistance to the Agent in pursuance of the Contract;
- deliver necessary documents to the Agent;
- maintain the Agent the exclusive and sole agent of the Principal for the sale of intellectual property set forth in Paragraph 1.2 and not to conclude any other agency contacts relating to the said intellectual property, until the Contract expires;

**3. Settlement of accounts**

3.1. This Contract is a paid services contract.

3.2. Remuneration is paid to the Agent if intellectual property set forth in Paragraph 1.2 of the Contract is sold at the Auction. The remuneration amounts to 15% of the concluded license contract price. Terms and procedures of the said payment shall be specified by the Parties in a separate agreement.

3.3. Terms, procedures and amount of the remuneration paid for services rendered after the Auction shall be specified by the Parties in a separate agreement.

**4. Contract validity**

This agreement will come into force on \_\_.\_\_.2012 and shall remain in effect until \_\_.\_\_.2013.

### **5. Special provisions**

5.1. The Contract may be terminated by the Principal upon the Principal providing notice to the Agent of the termination.

5.2. The Contract may be terminated by the Agent upon the Agent providing notice in writing to the Principal of the termination thirty days before the expected termination date.

5.3. If a Party terminates the Contract before the Contract expiration date, the Parties shall draft and sign the Certificate of Acceptance to set forth the actual scope of work (rendered services), amount of Agent's remuneration, amount of operational expenses related to the Contract and reimbursed to the Agent by the Principal, and the amount of damages incurred by the Agent due to the Principal's cancellation.

5.4. The Parties shall ultimately compute all the sums within 10 banking days starting from the date when Acceptance certificate was signed.

5.5. Any amendments and additions to the Contract are valid only if made in writing and signed by the authorized representatives of the Parties.

5.6. The Contract is signed and sealed in duplicate, the two copies are equally valid and binding.

### **6. Addresses, banking details and signatures of the Parties**

#### **Principal**

#### **Agent**

"IECI" OJSC (Open Joint-stock Company)

Principal State Registration Number (OGRN):

1115907002089

Taxpayer ID (INN):5907048892

Taxpayer Classification Code (KPP): 590701001

Registered address: 32 Karbisheva St, Perm', Pussia,  
614030

Mailing address: 614000, g. Perm', ul.

Petropavlovskaja, 41, of. 216

#### **Principal**

#### **Signatures of the Parties:**

Director General of the "IECI" OJSC (Open Joint-stock Company)

\_\_\_\_\_ Belskaya D.E.

## LICENSE AGREEMENT

**between natural persons and/or legal entities as for intellectual property rights transfer (non-exclusive/exclusive/full right to use the invention)**

### Draft

Name (including the family name and the middle name) of a natural person or the full legal entity name, hereinafter referred to as the Licensor, and

Name (including the family name and the middle name) of a natural person or the full legal entity name, hereinafter referred to as the Licensee, jointly referred to as the Parties, considering that:

1. The Licensor is a patent owner (patent(s) № \_\_\_\_\_), on

\_\_\_\_\_;

2. Licensee intends to purchase a license to use invention(s) with received patent(s) № \_\_\_\_\_, according to the terms and conditions of this Agreement, in order to produce, apply, import, offer for sale and use any other way of distributing product(s), manufactured on the basis of the said industrial invention(s), as well as to exercise the patented way to use (any types of use may be set forth in the Agreement),

agreed as follows:

### **1. Definitions**

The following terms used in the Agreement shall have the designated definition:

1.1. "Patents" - patents granted to the Licensor, and patents that will be granted on the patent applications of the Licensor to the federal executive authority for intellectual property (hereinafter referred to as Rospatent) (see Appendix №1).

1.2. "Licensed production" - production, which will be manufactured on the basis of a license.

1.3. "Special production" - production, which is not covered by the definition given in Clause 1.2 of this Agreement, additionally manufactured by the Licensor with the use of patented inventions.

1.4. "Special equipment" - equipment necessary to manufacture "licensed production" (Appendix №2)

1.5. "Confidentiality" - taking measures to prevent the accidental or premeditated disclosure of information related to "patents", to the third parties.

1.6. "Reporting period" - recurrent period of \_\_\_\_\_ months of the Licensee's activity for the performance of this Agreement, beginning on a date when this Agreement comes into effect.

1.7. "Territory" - regions according to the political and administrative division of a country, or a branch of industry, etc.

1.8. "Net payments" - payments with all possible taxes and duties paid by the Licensee.

### **2. Subject**

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General data about the licensed technical equipment (technology):

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Purpose, field of application, brief description of a licensed item

Note: General information can be supplemented with any other necessary information.

### **3. Subject**

#### **Edition 1**

##### **(for the non-exclusive license)**

3.1 The Licensor shall grant the non-exclusive license to use patented inventions to the Licensee, for this Agreement validity term, and for remuneration paid by the Licensee.

The Licensee shall obtain the right to produce, apply, import, offer for sale and use other ways to commercialize licensed production and/or special production (including, if necessary, the right to use special equipment, complete units, components and raw materials, applied by Licensor on a the territory). The Licensor shall retain the right to use inventions hereinabove and grant non-exclusive licenses to the third parties within the territory.

3.2. The Licensor shall submit necessary and sufficient technical and other documentation to the Licensee for the use of inventions according to Clause 3.1, provide technical and other assistance, and, if necessary, deliver designs, materials, and special equipment.

#### **Edition 2**

##### **(for the exclusive license)**

3.1 The Licensor shall grant the exclusive license to use patented inventions to the Licensee, for this Agreement validity term, and for remuneration paid by the Licensee.

The Licensee shall obtain the exclusive right to produce, apply, import, offer for sale and use other ways to commercialize licensed production and/or special production (including, if necessary, the right to use special equipment, complete units, components and raw materials, applied by Licensor).

Licensor retains the right to use the inventions hereinabove insofar as they are not transferred to the Licensee pursuant to this Agreement.

3.2. The Licensor shall submit necessary and sufficient technical and other documentation to the Licensee for the use of inventions according to Clause 2.1, provide technical and other assistance, and, if necessary, deliver designs, materials, and special equipment.

#### **Edition 3**

##### **(for the full license)**

3.1 The Licensor shall grant full license to the Licensee to use patented inventions, for this Agreement validity term and for remuneration paid by the Licensee.

The Licensee shall obtain the exclusive right to produce, apply, import, offer for sale and use other ways to commercialize licensed production and/or special production (including, if necessary, the right to use special equipment, complete units, components and raw materials, applied by Licensor).

3.2. The Licensor shall submit necessary and sufficient technical and other documentation to the Licensee for the use of inventions according to Clause 2.1, provide technical and other assistance, and, if necessary, deliver designs, materials, and special equipment.

3.3 The Licensor shall not retain the right to commercialize the licensed production.

#### **4. Technical documents**

4.1 All documents necessary and sufficient for the manufacturing of production according to the license (Appendix №3), shall be delivered by the Licensor to the authorized representative of Licensee to \_\_\_\_\_ (the address) \_\_\_\_\_ in \_\_\_\_\_ language in \_\_\_\_\_ copies in \_\_\_\_\_ (days, months etc.) from the date when this Agreement came into effect.

4.2. When technical documents are delivered, the Acceptance certificate of delivery shall be signed by the authorized representatives of both Parties. If the Licensee or the Licensee's authorized representative fails to collect technical documents in a designated delivery term from the Licensor, the Licensor may send the said documents by registered mail to the Licensee's address at the Licensee's expense. The delivery date shall be the date of signing the Acceptance certificate or the date when a postage stamp was put on the delivery note.

4.3 If the Licensee ascertains at the time of delivery or within 3 (three) months afterwards that the documents received from the Licensor are insufficient or inaccurate, the Licensor shall deliver the missing documents or correct inaccuracies and deliver the corrected documents to the Licensee within 3 (three) months after receiving written reclamation.

Thus the documents delivery date shall be deemed the missing or corrected documentation delivery date pursuant to the provisions of Paragraph 2, Clause 4.2.

4.4. The Licensee may make copies of the documents for private use if the Licensee guarantees the confidentiality.

#### **5. Improvements and betterments**

5.1. The Parties shall notify each other without any delay about all improvements and betterments concerning patents, licensed production and special production, if the Parties accomplished those improvements and betterments within the Agreement validity term.

5.2. The Parties shall offer all improvements and betterments primarily to each other. The conditions of those improvements and betterments transfer will be additionally agreed upon by the Parties.

Improvements and betterments made by one of the Parties and protected by the patents or described in patents applications filed to Rospatent, shall be deemed to be in the ownership of that Party.

In case one of the Parties repudiates or fails to receive the offer concerning the use of improvements and betterments within \_\_\_\_\_ months, the Parties have the right to offer improvements and betterments to the third parties.

## **6. Obligations and liabilities**

6.1 The Licensor claims that by the time of signing this Agreement there is no information at the Licensor's disposal about the rights of the third parties that can be infringed by the sale of license.

6.2 The Licensor claims that the licensed production is technically possible to manufacture on the premises of the Licensee and the characteristics indicated in this Agreement can be reached in case of the Licensee's complete abidance by the technical conditions and instructions of the Lisensor.

Mechanical, technological, technical and economic, and any other characteristics of the licensed production are set forth in Appendix 4.

6.3 The Licensor claims that technical documents and other items subject to delivery to the Licensee will be fair in package contents and quality of production in compliance with the effective State Standard (GOSTs) and other rules (the Parties are free to establish various requirements for documents and other information).

6.4. The Licensee undertakes to manufacture licensed production in full conformity with the received technical documents and instructions of the Licensor to the extent that it concerns the invention.

6.5. The Party that fails to fulfill the conditions hereinabove shall compensate for loss caused by that neglect within the amount of \_\_\_\_\_ .

6.6. In case of untimely delivery of technical documents and other necessary information pursuant to Clause 4 of this Agreement, a Party shall pay a fine. The Licensor shall pay a fine to the Licensee, in the amount of \_\_\_\_\_ but not exceeding \_\_\_\_\_.

6.7. The total of compensation and fine amounts relating to any breaches of this Agreement and claimed by a Party, shall not exceed the received or paid amounts pursuant to Clause 8 of the Agreement, unless Parties agreed so.

## **7. Technical assistance in mastering licensed production manufacturing.**

7.1. In case the Licensee needs technical assistance in mastering licensed production manufacturing or training the Licensee's staff to use appropriate working methods and practices related to manufacturing and use of licensed production, the Licensor shall send, if it is requested by the Licensee, necessary number of specialists to the premises of the Licensee. The Licensee shall send a request to the Licensor \_\_\_\_\_ months before the planned date of specialists' visit.

7.2. The Licensee shall provide the specialists of the Licensor with accommodation, transportation back and forth to the premises, communication devices for the time of their visit, and other service types agreed upon by the Parties.

7.3. The Licensee shall bear the Licensor's specialists' business trip expenses, including roundtrip train or air tickets cost from \_\_\_\_\_ to destination, \_\_\_\_\_ kg \_\_\_\_\_ transportation per person beyond the weight covered by the fare, and remuneration expenses depending on specialists' qualification according to the following rates: \_\_\_\_\_.

7.4. The Licensor shall meet the Licensee's request to grant access to his premises where licensed production is to be manufactured to inspect the manufacturing and equipment on site.

The Licensee shall bear all the expenses related to the inspection.

7.5 By the Licensee's request and at the Licensee's expenses, the Licensor shall deliver licensed production samples, material samples and special equipment necessary to manufacture licensed production.

## **8. Payments**

8.1 The Licensee shall pay remuneration to the Licensor for the transfer of rights as set forth in this Agreement and for technical documents and other information in accordance with the following:

### **Edition 1**

**(stipulates single or stage-progress payments of the pre-agreed amount)**

a) the amount of \_\_\_\_\_ (in figures and in words) rubles is paid on presentation of the invoice in 3 copies

\_\_\_\_\_ (Licensor's Bank)

within \_\_\_\_ days starting from \_\_\_\_\_;

b) the amount of \_\_\_\_\_ (in figures and in words) rubles is paid upon presentation of the invoice in 3 copies

\_\_\_\_\_ (Licensor's Bank)

within \_\_\_\_ days starting from the date when this Agreement comes into effect;

c) the amount of \_\_\_\_\_ (in figures and in words) rubles is paid upon presentation of the invoice in 3 copies

\_\_\_\_\_ (Licensor's Bank)

and an Acceptance certificate or a delivery document copy, mentioned in Clause 3.2 of this Agreement within \_\_\_\_ days starting from the technical documents formal acceptance date;

d) the amount of \_\_\_\_\_ (in figures and in words) rubles is paid within \_\_\_\_ days from the date of production commencement/batch production.

### **Edition 2**

**(stipulates single or stage-progress payments and the further current payments within this Agreement validity term)**

a) the initial payment of \_\_\_\_\_ (in figures and in words) rubles shall be paid within \_\_\_\_ days starting from the date when this Agreement comes into effect

\_\_\_\_\_ (Licensor's Bank)

- current payments (royalty) shall be paid to the Licensor in the amount of \_\_\_\_\_% of licensed production sale price and \_\_\_\_\_% of special production sale price, manufactured and sold by the Licensee;

or:

- current payments (royalty) shall be paid to the Licensor in sum of \_\_\_\_\_ (in figures and in words) rubles per unit (pieces, kilogram, etc.) of licensed production and \_\_\_\_\_ (in figures and in words) rubles per unit of special production, manufactured and sold by the Licensee;

b) the initial payment of \_\_\_\_\_ (in figures and in words) rubles, including:

the amount of \_\_\_\_\_ (in figures and in words) rubles is paid upon presentation of the invoice in 3 copies

\_\_\_\_\_ (Licensor's Bank)

within \_\_\_\_\_ days from the date when this Agreement comes into effect (encashment with immediate payment, with subsequent acceptance, etc.);

c) the amount of \_\_\_\_\_ (in figures and in words) rubles is paid within \_\_\_\_\_ days from the date of technical documents formal acceptance, mentioned in Clause 4 of this Agreement. Payment is made the same way, as it is stipulated in subpoint "a" of Edition 2. The Acceptance certificate or delivery note copies shall be attached.

8.2. The current payments (royalty) shall be made by the Licensee within \_\_\_\_\_ days following the reporting period.

8.3. All payments made in compliance with this Agreement shall be deemed as payments in favour of the Licensor;

8.4. After the date of expiration of this Agreement, the terms and conditions of this Agreement shall be effective until all payments and obligations within this Agreement are settled.

## **9. Information and reporting**

9.1. The Licensee shall submit the summary accounting data for the reporting period, on the scope of manufacturing and selling licensed and special production, and information on the licensed and special production selling prices, within \_\_\_\_\_ days following the reporting period.

9.2. Licensor reserves the right to examine the summary accounting data related to the scope of licensed and special production manufacturing and selling on the Licensee's premises, according to the summary accounting data pursuant to Clause 1.6 of this Agreement. The Licensee shall make such examination possible.

## **10. Confidentiality**

10.1 The Parties shall undertake to preserve confidentiality of technical documents and information, relating to licensed and special production received from the Licensor.

10.2. Delivered documents and information shall be available only to personnel directly engaged into licensed production manufacturing on the Licensee's premises and the premises of the Licensee's cooperation partners.

10.3. In case of the said information disclosure by the Licensee or the Licensee's cooperation partners, the Licensee shall compensate damages related to this disclosure to the Licensor. The Licensor shall incur the same liability in case of disclosure.

## **11. Protection of rights**

11.1. Within the whole Agreement validity term the Licensee acknowledges and shall acknowledge the validity of rights following from the Licensor's patents.

11.2. The Licensor shall preserve the patents legal force within this Agreement validity term.

If the Licensor intends to stop preserving the patents legal force, the Licensor shall notify the Licensee in advance and the Parties shall regulate their relations arising from this Agreement in the following way:

11.3. In case the Licensee becomes aware about the misuse of industrial designs, protected by the Licensor's patents on the territory, the Licensee shall notify the Licensor immediately.

In case any claims or actions are instituted against the Licensee on the infringement of the third parties' rights concerning the license indicated in this Agreement, the Licensee shall notify the Licensor about such claims or actions.

In both cases the Licensee shall undertake to settle such claims or take other measures to prevent the Licensor's damages and losses.

11.4. In case the Licensee deems it reasonable to patent the Licensor's inventions abroad, and the inventions are not patented yet, the Licensee shall inform the Licensor about it. The Licensor shall take the decision on this issue considering the Licensee's reasonable interests.

11.5. In case the Licensee arrives to a decision that selling licenses abroad is possible and reasonable, the Licensee shall inform the Licensor about such decision, and the Parties jointly undertake appropriate measures and agree upon distributing currency earnings.

11.6. In case the Licensee arrives to a decision that licensed production and/or special production exporting is reasonable, the Licensee informs the Licensor about such decision. Thus, procedure and currency of payments in favour of the Licensor shall be additionally agreed upon by the Parties.

## **12. Advertisement**

The Licensee preserves the right/undertakes to indicate in respective advertisement materials and on licensed or special production, manufactured on his premises, that this production is license-manufactured.

The Parties shall set forth trademarks use in a separate agreement.

## **13. Dispute resolution**

13.1. In case of any dispute or controversy between the Licensor and the Licensee arising from this Agreement, the Parties shall take all measures to resolve it by negotiations.

13.2. If dispute or controversy hereinabove is impossible to resolve by negotiations, such dispute or controversy shall be settled in \_\_\_\_\_ (if one of the Parties is a natural person the matter shall be solved judicially, if both Parties are legal entities the matter shall be considered by arbitration).

#### **14. Validity term**

14.1. This Agreement is concluded for \_\_\_\_\_ years and comes into effect on the date of its registration in Rospatent.

14.2. Each Party preserves the right to terminate the Agreement before its expiration date by sending a notice in writing to the other Party, if the other Party fails to fulfill any condition pursuant to Clause \_\_\_\_\_ of this Agreement. However, the breaching Party shall be given \_\_\_\_\_ months to take corrective actions.

14.3. If this Agreement is terminated before its expiration date due to the Licensee's failure to fulfill obligations, the Licensee shall lose the right to use the invention pursuant to Clause 3.1 in any way and shall return all technical documents to the Licensor.

14.4. In case the patents are found invalid fully or in part or the patents legal force is terminated before this Agreement expires or due to the Licensor's failure to fulfill its obligations stipulated in Clause \_\_\_\_\_ of this Agreement, the Parties shall settle their relations arising from this Agreement in the following way \_\_\_\_\_ (considering Clause 6 and Clauses 11.1 and 11.2 of this Agreement).

14.5. When this Agreement expires, the Licensee preserves the right to use inventions of the Licensor according to Clause 3.1 to the extent stipulated by this Agreement, free of charge.

Confidentiality clause shall not expire \_\_\_\_\_.

#### **15. Miscellaneous**

15.1. Rights and obligations of one of the Parties according to this Agreement shall be assigned to other natural person or legal entity only by permission in writing issued by the other Parties, except as otherwise provided herein.

15.2. Amendments and additions to this Agreement shall be made in writing and signed by the authorized representatives of the Parties, and approved by the competent bodies, if such approval is needed.

15.3. Civil law and civil procedure of the Russian Federation shall be applicable to any issues not settled by this Agreement.

15.4 Appendices 1-4 mentioned in this Agreement on \_\_\_\_\_ pages are an integral part of this Agreement.

15.5. This Agreement is made in the city (town/village) of \_\_\_\_\_ on " \_\_ " \_\_\_\_\_ 20\_\_ in duplicate.

#### **Legal addresses of the parties**

Licensor: \_\_\_\_\_,

Licensee: \_\_\_\_\_

**Appendices:**

1. Appendix 1: The list of patents and applications;
2. Appendix 2: The list of special equipment;
3. Appendix 3: Technical documents;
4. Appendix 4: Technological, technical and economic, and other licensed production characteristics.

On behalf of the Licensor

On behalf of the Licensee