**DIGITAL CONTENT LICENSE AGREEMENT**

This Digital Content License Agreement (referred to as the "**Agreement**") is entered into as of [DATE] (the "**Effective Date**") by and between [PARTY NAME], a [corporation/LLC/[OTHER ENTITY TYPE]] organized under the laws of [JURISDICTION OF ORGANIZATION], with its principal place of business at [ADDRESS] (the “**Licensor**"), and [PARTY NAME], a [corporation/LLC/[OTHER ENTITY TYPE]] formed under the laws of [JURISDICTION OF ORGANIZATION], with its headquarters at [ADDRESS] (the “**Licensee**"). The Licensor and the Licensee are individually referred to as a "**Party**" and collectively as the "**Parties**".

The Licensor is the owner [or licensee] of the Content, and the Licensee seeks to use the Content for the Purpose, as defined in Section 1.1.

The Licensor has agreed to grant the Licensee a license to use the Content for the Purpose, subject to the terms of this Agreement.

In consideration of the mutual promises and commitments contained in this Agreement, along with other valuable consideration acknowledged by both Parties, the Parties hereby agree as follows:

1. **LICENSE GRANT**
   1. The Licensor grants the Licensee a non-transferable, [exclusive/non-exclusive/sole] license to use the Content during the License Period within the Territory for the Purpose. For the purposes of this Agreement: (i) “**Content**” means all content including text, information, data, software, executable code, images, audio, or video material in any medium or form provided by the Licensor to the Licensee, as described in Schedule 1; (ii) “T**erritory”** means [INSERT LIST OF COUNTRIES]; and (iii) “**Purpose**” means the reason for which, and the manner in which, the Licensee may use the Content, as described in Schedule 2.
   2. The license granted to the Licensee is strictly limited to, and the Licensee shall use the Content solely for, the Purpose.
   3. The Licensee shall not grant sub-licenses, in whole or in part, of any rights granted under this Agreement, nor shall it subcontract any aspects of the exploitation of the licensed rights without the Licensor’s prior written consent [(such consent not to be unreasonably withheld or delayed)]. However, the Licensee may grant sub-licenses to End Users for use of the Licensed Products, provided that such sub-licenses prohibit End Users from granting any further sub-license. “**End User**” means the Licensee’s customer for, and the ultimate user of, the Licensed Products. “**Licensed Products**” means the products sold (or offered for sale) which include or use the Content, as set out in Schedule 3.
   4. The Licensor reserves the right to request the removal or editorial modification of any licensed Content at any time. The Licensee agrees to implement such removal or modifications within [SPECIFY PERIOD] upon receiving the request.
   5. The Licensee may develop the Content and create Derivative Works as necessary to provide the Content in the form of, or required for, the Licensed Products and as necessary for the Purpose. “**Derivative Works**” means work generated or developed following the date of this Agreement which is based on the Content or an underlying work in relation to this (including translations, musical arrangements, dramatizations, fictionalizations, motion picture versions, sound recordings, art reproductions, abridgements, condensations, or any other form in which a work may be recast, transformed or adapted).
2. **LICENSOR’S OBLIGATIONS**
   1. The Licensor shall [use all reasonable efforts] to deliver the Delivery Materials to the Licensee on or before the Delivery Date. “**Delivery Materials**” means the materials comprising the Content, in any electronic or physical form, to be delivered by the Licensor to the Licensee. “**Delivery Date**” means [INSERT].
   2. The Licensor expressly retains the Reserved Rights for its own use and for exploitation by third parties. “**Reserved Rights**” means all rights in, or in relation to, the Content that are not expressly granted to the Licensee under this Agreement, including [DESCRIPTION] and any and all Derivative Works, and any other rights (whether known now, or created later, and whether or not in the contemplation of the parties at the time of this Agreement).
   3. The Licensor may develop, market, sell, and promote Derivative Works and may exploit the Content—including through licensing to third parties—in any media, format, or products [other than the Licensed Products and the media and format used for them] and for purposes beyond the Purpose.
   4. If the Licensor reasonably believes that the Licensee’s use of any Content infringes the Intellectual Property Rights of a third party or violates any applicable law or regulation, the Licensor may require the Licensee to cease all use of the affected Content. In such instances, the Licensor may, at its option:
      1. provide the Licensee with alternative Content that avoids the infringement [(while maintaining substantially the same features, functionality, or specifications)]; or
      2. terminate this Agreement immediately upon written notice [with respect to the affected Content].
3. **LICENSEE’S OBLIGATIONS**
   1. The Licensee shall not modify, adapt, or develop the Content in any manner without obtaining the Licensor’s prior written approval.
   2. The Licensee shall adhere to all applicable laws and regulations while fulfilling its obligations and exercising its rights under this Agreement.
   3. At its own cost, the Licensee shall secure all necessary approvals, consents, and permissions, including those from regulatory bodies, rights management organizations, and other third parties, required for the permitted use of the Content. The Licensee shall also be responsible for any associated fees or royalties payable to rights organizations in accordance with their respective guidelines.
   4. The Licensee shall not make the Content or any Licensed Products publicly available before the designated Release Date. For the purposes of this Agreement, “**Release Date**” means [INSERT DATE].
   5. The Licensee shall collaborate with the Licensor on any public communications related to the release of the Licensed Products and shall not make any independent public announcements without the Licensor’s prior approval.
   6. The Licensee shall ensure that its use of the Content, as well as that of any End Users or authorized sub-licensees, does not violate any moral rights or equivalent protections associated with the Content.
   7. The Licensee shall implement industry-standard security protocols to protect the Content and maintain it in a secure and encrypted format. The Licensee shall take all necessary steps to:
      1. enforce territorial and usage restrictions outlined in this Agreement; and
      2. detect, prevent, and address any unauthorized access, duplication, modification, distribution, or other improper use of the Content.
   8. If the Licensee identifies any unauthorized use of the Content or a security breach that could impact the integrity of the Content or harm the Licensor, the Licensee shall promptly inform the Licensor and take corrective measures at its own expense. The Licensor reserves the right to suspend the Licensee’s rights under this Agreement until the issue is fully resolved.
4. **DIGITAL RIGHTS MANAGEMENT**
   1. If the Licensee makes the Content available electronically, through digital platforms or media, for use by End Users (to the extent permitted under this Agreement), the Licensee shall, at its own expense [and with the Licensor’s prior written approval], implement Digital Rights Management (DRM) measures and any other technological protection mechanisms [in accordance with the standards approved by [the Licensor] [or SPECIFY RELEVANT THIRD PARTY STANDARDS BODY] from time to time] to ensure that the Content is used strictly within the scope of the rights granted to the Licensee [and to End Users].
   2. The Licensee shall ensure that the DRM and protection measures adopted under Section 4.1 effectively prevent End Users from copying, transferring, or publicly communicating the Content, or otherwise exploiting it in a manner beyond what is expressly permitted under this Agreement.
   3. The Licensee shall take all necessary measures to ensure that End Users do not remove, bypass, disable, neutralize, or modify any DRM protections or technological safeguards implemented for the Content.
   4. The Parties shall periodically assess the effectiveness and continued viability of the DRM and technological safeguards used to protect the Content.
5. **USE BY END USERS**
   1. The Licensee shall ensure that, before granting End Users access to any Content, they agree to legally binding terms and conditions that:
      1. require End Users to reside within the Territory;
      2. obligate End Users to comply with all applicable laws when using the Content;
      3. specify that the Content is provided solely for the End User’s personal use;
      4. prohibit any reproduction, distribution, or sharing of the Content in violation of applicable laws;
      5. explicitly reserve all Intellectual Property Rights and related rights in the Content to the Licensor [and outline any additional required terms] (collectively, the "**Terms of Use**"). “**Intellectual Property Rights**” means patents, utility models, rights to inventions, copyright and neighbouring and related rights, moral rights, trade marks and service marks, business names and domain names, rights in get-up and trade dress, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to use and protect the confidentiality of, confidential information (including know-how and trade secrets), and all other intellectual property rights, in each case whether registered or unregistered and including all applications and rights to apply for and be granted, renewals or extensions of, and rights to claim priority from, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world.
   2. The Licensee shall obtain the Licensor’s prior approval for the Terms of Use and any [material] modifications before making the Content available to End Users under these terms.
6. **INTELLECTUAL PROPERTY RIGHTS**
   1. The Licensor shall retain full ownership of all Intellectual Property Rights in the Content, as well as in any Derivative Works that it develops.
   2. The Licensee hereby assigns, and shall continue to assign, to the Licensor all Intellectual Property Rights in any modifications, adaptations, or derivative versions of the Content that the Licensee may create. This assignment includes a prospective transfer of copyright and database rights. The Licensee shall execute any necessary documents or confirmatory assignments upon the Licensor’s request.
   3. All Intellectual Property Rights transferred to the Licensor under Section 6.2 shall automatically become part of the Content and be governed by the licensing terms set forth in this Agreement from the date of assignment.
7. **ROYALTIES**
   1. In each Royalty Year, the Licensee shall pay the Licensor either the Royalty or the Minimum Royalty, whichever amount is greater. For the purposes of this Agreement: (i) “**Royalty Year**” means each period of 12 months, ending on 31 December; (ii) “**Royalty**” means the percentage of the Net Sales Price as per Schedule 5; (iii) “**Net Sales Price**” means in respect of the Licensed Products sold by and on behalf of the Licensee, the total amount invoiced by the Licensee for these after deducting: (a) allowances for trade discounts; (b) returns for which the Licensee has issued a credit note; and (c) sales and excise taxes (including value added tax and duties, if any), as per Schedule 5; and (iv) “**Minimum Royalty**” means the minimum royalty figures, as calculated between the Parties as per Schedule 5.
   2. The Licensee shall make Royalty payments to the Licensor in accordance with the payment schedule set forth in Schedule 4.
   3. Within [30] days of each Payment Date, the Licensee shall provide the Licensor with a written statement detailing:
      1. the quantity of Licensed Products sold on or before that Payment Date that have not been accounted for in previous reports;
      2. the sale price of such Licensed Products, including any discounts applied;
      3. the Net Sale Price;
      4. the Royalty amount due; and
      5. any additional details reasonably requested by the Licensor.
   4. Within [45] days following the end of each Royalty Year, the Licensee shall submit to the Licensor a certified statement from its auditors (the “**Auditors’ Certificate**”) confirming the total Net Sale Price of Licensed Products sold or otherwise distributed during that year and the corresponding Royalty due under Section 7.1. If the Auditors’ Certificate reveals that the total payments made for that Royalty Year are less than the amount owed under Section 7.1, the Licensee shall remit the outstanding balance to the Licensor [upon delivery OR within [seven] days of providing the Auditors’ Certificate].
   5. The Licensee shall maintain separate and detailed records of all Licensed Product sales to allow the Licensor to verify the accuracy of royalty payments. Upon providing [ten] days’ written notice, the Licensor or its authorized representative may inspect the Licensee’s records, premises, and servers during normal business hours and obtain copies for verification purposes. This audit right shall remain in effect for [one] year following the termination of this Agreement.
   6. If the Licensee fails to make any payment required under this Agreement [by OR within [seven] days of] the due date, the overdue amount shall accrue interest at a rate of 4% per year above the federal funds rate, or 4% per year if the federal funds rate is below 0%, compounded daily until paid in full. This interest shall apply whether the overdue amount is paid before or after a court judgment.
8. **TAXES**
   1. All payments made by the Licensee under this Agreement are exclusive of: (i) sales tax, use tax, or any other transaction-based tax where applicable; (ii) excise, consumption, or similar levies; (iii) customs duties or import tariffs; and (iv) any other indirect taxes that may apply, which, where applicable, shall be the Licensee’s responsibility.
   2. All payments due under this Agreement shall be made in full, free of any withholdings or deductions for: (i) taxes (except as required by applicable law); (ii) set-offs; or (iii) counterclaims.
   3. If any deduction or withholding is required by law, the Licensee shall increase the payment amount so that the Licensor receives the full sum it would have received had no deduction been required. If the Licensor later receives a credit for the withheld amount, it shall promptly refund the equivalent sum to the Licensee, provided that such credit relieves the Licensor of a tax obligation.
9. **WARRANTIES**
   1. Each Party warrants that it has the legal authority to enter into and fulfill its obligations under this Agreement.
   2. The Licensor warrants that the Content does not infringe upon any third-party Intellectual Property Rights [within the Territory].
   3. The Licensee warrants that its use of the Content in the Licensed Products, including any modifications or derivative works:
      1. will not and does not infringe upon any third party Intellectual Property Rights [within the Territory];
      2. will and does not contain defamatory, obscene, or otherwise unlawful material;
      3. complies with all applicable laws, regulations, and industry standards; and
      4. does not, to the best of the Licensee’s knowledge, contain malware, viruses, backdoors, or other harmful code intended to compromise security or data integrity.
10. **QUALITY CONTROL AND APPROVAL**
    1. The Licensor shall establish and notify the Licensee of quality and specification standards applicable to the [development, promotion, distribution, and sale] of Licensed Products. The Licensee shall adhere to these standards and implement any modifications as directed by the Licensor within a commercially reasonable timeframe.
    2. Upon request, the Licensee shall submit [at its own expense OR at the Licensor’s expense] a [reasonable number OR maximum of [NUMBER]] of production samples and related packaging materials for the Licensor’s approval.
    3. The Licensor or its authorized representative may, at its own expense and upon notice, access the Licensee’s premises or servers during normal business hours to inspect: (i) samples of the Licensed Products; (ii) the Licensee’s manufacturing, storage, and distribution processes.
    4. The Licensor shall have the right to remove [a reasonable number OR a maximum of [NUMBER]] of samples at [cost OR no charge] for quality review.
    5. If the Licensor rejects any sample, it shall provide written notice to the Licensee within [30] days of receipt. The Licensee shall immediately cease distribution of the rejected Licensed Products and shall not resume until the Licensor provides written approval. If the Licensor does not issue a rejection within [30] days, the sample shall be deemed approved.
11. **ADVERTISING AND MARKETING**
    1. The Licensee shall ensure that all advertising and marketing related to the Licensed Products and Content does not harm or diminish the reputation, value, or market perception of the Content or associated products.
    2. Before publishing, the Licensee shall submit all proposed advertisements and promotional materials to the Licensor for [written] approval. If the Licensor disapproves, it shall notify the Licensee in writing within [20] days. In the absence of a rejection within that timeframe, the materials shall be deemed approved. The Licensee shall not use any unapproved marketing materials.
    3. [The Licensee shall OR The Parties shall jointly] bear the costs associated with marketing and advertising for the Licensed Products and Content within the Territory.
    4. Beginning on the Release Date, the Licensee shall actively promote and market the Licensed Products, using [reasonable OR best] efforts to:
       1. maximize sales of the Licensed Products and Content;
       2. expand distribution within the Territory; and
       3. ensure broad market reach and visibility for the Content.
12. **TERM**

This Agreement shall be effective from and on the Effective Date, and shall continue until terminated in accordance with this Agreement. ￼

1. **TERMINATION**
   1. Without limiting any other rights or remedies available, the Licensor may terminate this Agreement immediately by providing [written] notice to the Licensee if:
      1. the Licensee fails to make any payment due under this Agreement by its due date and remains in default for at least [NUMBER] days after receiving [written] notice of nonpayment;
      2. the Licensee materially breaches any term of this Agreement and, if the breach is capable of being remedied, fails to cure it within [NUMBER] days after receiving [written] notice;
      3. the Licensee becomes insolvent, suspends or threatens to suspend payments, or is unable to pay its debts as they become due;
      4. the Licensee enters into discussions to restructure its debt, files for bankruptcy, or engages in any process that leads to insolvency proceedings, liquidation, or asset seizure;
      5. a petition is filed, notice is issued, or legal action is taken to dissolve, liquidate, or wind up the Licensee’s business;
      6. an administrator, trustee, or receiver is appointed over any or all of the Licensee’s assets;
      7. a secured creditor exercises rights over the Licensee’s assets, including foreclosure or repossession;
      8. a creditor or third party seizes or enforces a legal claim against the Licensee’s assets, and such enforcement is not dismissed within [14] days;
      9. any equivalent legal event occurs in a jurisdiction applicable to the Licensee; or
      10. the Licensee ceases or threatens to cease its business operations, either in whole or in part.
   2. The Licensor may terminate this Agreement for any reason whatsoever upon providing [INSERT NUMBER] days’ notice in writing to the Licensee.
   3. Upon expiration or termination of this Agreement for any reason:
      1. all rights and authorizations granted to the Licensee shall immediately terminate and revert to the Licensor;
      2. the Licensee shall cease all sales, marketing, and promotion of the Licensed Products;
      3. at the Licensor’s discretion and direction, the Licensee shall promptly return or destroy all Content in its possession or control, including copies stored in backup systems or cached within its infrastructure;
      4. the Recipient shall stop using the Discloser’s Confidential Information;
      5. all Confidential Information (including copies and extracts), along with any other property or materials shared by the Discloser, in the Recipient’s possession or control shall be returned to the Discloser or, at the Discloser’s request, destroyed or rendered unreadable; and
      6. the Recipient shall destroy or permanently erase (if technically feasible without incurring excessive expense or undue effort) all records and documents (in any format) created by or for it that use, relate to, or are based on any Confidential Information of the Discloser.
   4. Notwithstanding the above, the Discloser acknowledges that the Recipient may retain Confidential Information and/or records required to comply with any applicable law, regulatory authority, internal procedure, or for insurance, accounting, or tax purposes. Confidential Information retained for these reasons shall not be used in the ordinary course of business or for any commercial purpose, must be stored in an encrypted, non-production environment, and will remain subject to the confidentiality obligations herein for as long as it is retained. Section 15 will continue to apply to retained Confidential Information and records, which may only be used for these specified purposes.
2. **LIABILITY**
   1. IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, AGGRAVATED, OR PUNITIVE DAMAGES, INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOSS OF USE, REVENUE, OR PROFIT, BUSINESS INTERRUPTION, OR LOSS OF INFORMATION. THIS LIMITATION APPLIES REGARDLESS OF WHETHER SUCH DAMAGES ARISE FROM A BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL THEORY, AND IRRESPECTIVE OF WHETHER SUCH DAMAGES WERE FORESEEABLE OR WHETHER THE PARTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.
   2. SUBJECT TO SECTION 14.1, EACH PARTY’S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER DUE TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR ANY OTHER LEGAL THEORY, SHALL NOT EXCEED [NUMBER] TIMES THE TOTAL AMOUNT PAID BY THE LICENSEE TO THE LICENSOR PURSUANT TO THIS AGREEMENT [IN THE [NUMBER] [YEAR/MONTH] PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM] [OR [AMOUNT IN WORDS] DOLLARS ($[AMOUNT]), WHICHEVER IS LESS].
3. **CONFIDENTIALITY**
   1. From time to time during the duration of this Agreement, either Party (as the "**Discloser**") may disclose or make available to the other Party (as the "**Recipient**"), non-public, proprietary, and confidential information of Discloser [whether or not marked or labeled as "confidential"/that, if disclosed in writing or other tangible form is clearly labeled as "confidential," or if disclosed orally, is identified as confidential when disclosed and within [NUMBER] days thereafter, is summarized in writing and confirmed as confidential] ("**Confidential Information**"); provided, however, that Confidential Information does not include any information that: (i) is or becomes generally available to the public other than as a result of the Recipient's breach of this Section 15; (ii) is or becomes available to the Recipient on a non-confidential basis from a third party source, provided that such third party is not and was not prohibited from disclosing such Confidential Information after due inquiry; (iii) was in the Recipient's possession prior to the Discloser's disclosure hereunder; or (iv) was or is independently developed by the Recipient without using any Confidential Information.
   2. The Recipient shall: (i) protect and safeguard the confidentiality of the Discloser's Confidential Information with at least the same degree of care as the Recipient would protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care; (ii) not use the Discloser's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and (iii) not disclose any such Confidential Information to any person or entity, except to members of the Recipient's Group who need to know the Confidential Information to assist the Recipient, or act on its behalf, to exercise its rights or perform its obligations under this Agreement. For purposes of this Section 15, "**Recipient's Group**" means the Recipient's affiliates and its or their employees, officers, directors, shareholders, partners, members, managers, agents, independent contractors, consultants, sublicensees, subcontractors, attorneys, accountants, and financial advisors.
   3. If the Recipient is required by applicable law or legal process to disclose any Confidential Information, it shall, prior to making such disclosure, use commercially reasonable efforts to notify the Discloser of such requirements to afford the Discloser the opportunity to seek, at the Discloser's sole cost and expense, a protective order or other remedy.
   4. The Recipient shall be responsible for any breach of the foregoing obligations by any member of the Recipient’s Group.
4. **ENTIRE AGREEMENT**

Any modification, amendment, or supplementation to this Agreement must be in writing and signed by both Parties.

1. **AMENDMENT**

Any modification, amendment, or supplementation to this Agreement must be in writing and signed by both Parties.

1. **SEVERABILITY**

If any provision of this Agreement is found to be invalid, illegal, or unenforceable in any jurisdiction, such invalidity shall not affect any other provision of the Agreement, nor shall it invalidate or render unenforceable that provision in any other jurisdiction.

1. **THIRD PARTY RIGHTS**

No person other than the Licensor and the Licensee shall have any rights under this Agreement. The terms of this Agreement or any part of it may be varied, amended, or modified, or this Agreement may be suspended, canceled, or terminated by a written Agreement between the Parties, or this Agreement may be rescinded (in each case) without the consent of any third party.

1. **NO WAIVER**

No waiver of any provision of this Agreement shall be effective unless made in writing and signed by the waiving Party. Any waiver shall not be deemed a waiver of any other failure, breach, or default not expressly identified. A Party's failure to exercise, or delay in exercising, any right under this Agreement does not constitute a waiver of that right, nor does any partial exercise of a right preclude further exercise of that right or any other rights.

1. **GOVERNING LAW AND JURISDICTION**

This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of South Dakota, without regard to any principles of conflict of laws. Any legal action, suit, or proceeding arising out of or related to this Agreement shall be brought exclusively in the courts of the State of South Dakota, and each Party irrevocably consents to the exclusive jurisdiction of such courts. The Parties waive any objections related to improper venue or the doctrine of forum non conveniens.

1. **COUNTERPARTS**

This Agreement may be executed in counterparts, each of which shall be considered an original, and all of which together shall constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the Effective Date.

[NAME OF PARTY]

By:

Name:

Title:

[NAME OF PARTY]

By:

Name:

Title:

**SCHEDULE 1**

**CONTENT**

1. The Content shall comprise the following: [DESCRIPTION].
2. The Content shall be delivered in the following form (Delivery Materials): [DESCRIPTION]

**SCHEDULE 2**

**PURPOSE**

The Licensee may use the Content, and enjoy the rights granted under Section 1.1, as described below:

[SPECIFY]

**SCHEDULE 3**

**LICENSED PRODUCTS**

[INCLUDE DETAILS OF THE LICENSED PRODUCTS]

**SCHEDULE 4**

**PAYMENT DATES**

[SPECIFY DATES]

**SCHEDULE 5**

**ROYALTIES**

1. **ROYALTY**

[SET OUT THE FORMULA FOR CALCULATING THE ROYALTY PAYABLE]

1. **MINIMUM ROYALTY**

[SET OUT THE FORMULA FOR CALCULATING THE ROYALTY PAYABLE]