



On the expiration of the first year of the term and any subsequent year of the Term, the Manufacturer will not increase the price of the Existing Designs, other than with the consent of the Designer, by more than the increase in the Consumer Price Index ("CPI") for the Sydney area as published by the Bureau of Statistics or, should that index be replaced, by the index that establishes price increase in a similar manner.

On the expiration of the Term the Manufacturer will be provided with an option to continue to manufacture the Existing Designs for a second licence period of THREE (3) YEARS ("the Option Term").

### 3. **New Design Licence**

- 3.1 **The Designer** agrees to offer any and all New Designs to the Manufacturer for assessment, pricing and feasibility of manufacture.
- 3.2 If the parties agree that the Manufacturer is to prototype a New Design and the Manufacturer agrees to do so, the Manufacturer will be granted an exclusive licence in the Territory to manufacture the New Design for a period of THREE (3) YEARS ("the New Design Licence Period").
- 3.3 The New Design Period will date from when the New Design is available for display on the Showroom floor.
- 3.4 The parties shall agree to a price for any New Design ("the New Design Price") and, The Manufacturer agrees that it will not increase the price of the New Designs during the first year of The New Design Licence Period ("the First Licence Year") or any subsequent licence year, other than with the consent of **the Designer**, by more than the increase in the Consumer Price Index ("CPI") for the Sydney area as published by the Bureau of Statistics or, should that index be Replaced, by the index that establishes price increases in a similar manner.
- 3.5 On the expiration of the New Design Licence Period the Manufacturer will be provided with an option to continue to manufacture the New Designs for a second licence period of THREE (3) YEARS ("the Second New Design Period").

### 4. **Prototyping**

- 4.1 Subject to Clause 3, the Manufacturer agrees that it will prototype up to four New Designs in each Licence year commencing on 1 July 2005.
- 4.2 Unless otherwise agreed, all reasonable costs of such prototyping shall be shared.
- 4.3 The Manufacturer agrees that it will deliver a prototype of any New Design within a reasonable period of being requested to do so by **the Designer**.
- 4.4 Except as provided for in clause 6.6, all intellectual property rights in the New Designs prototyped by the Manufacturer shall vest in the Designer

### 5. **Suppliers**

- 5.1 Unless otherwise agreed to by **the Designer**, the Manufacturer agrees to use the manufacturers and suppliers of hardware and items listed in Exhibit B, necessary for the manufacture of the Existing and New Designs.

## 6. Termination

- 6.1 Should the Manufacturer no longer wish to manufacture during the Term or further Term any of the Existing or New Designs, **the Designer** shall have the right to use other manufacturers to make those Existing or New Designs and distribute and sell those Existing or New Designs free of any obligations or payments to the Manufacturer.
- 6.2 Should the Manufacturer fail to supply any Existing or New Design with THREE (3) MONTHS of Receiving an order therefore, all rights in that Existing or New Design shall revert to **the Designer** and it shall have the right to use other manufacturers to make those Existing or New Designs and to distribute and sell those Existing or New Designs free of any obligations or payments to the Manufacturer.
- 6.3 Should the Manufacturer become insolvent and/or go into receivership or be declared bankrupt, all rights in the Existing and New Designs shall revert to the Designer and it shall be free to contract other Manufacturers to make any and all the Existing and/or New Designs free of any obligations or Payments to the Manufacturer.
- 6.4 In the case of termination as provided for in Clauses 6.1, 6.2 and 6.3 above, the Manufacturer will provide the Designer with copies of all documentation, templates and relevant patterns relating to such terminated or discontinued designs.
- 6.5 Should the Designer become insolvent and/or go into receivership or be declared bankrupt, all rights in the Existing and New Designs shall revert to the Manufacturer and it shall be free to make any and all the Existing and/or New Designs free of any obligations or payments to the Designer.
- 6.6 The parties to this Agreement may not assign their rights or obligations under this Agreement Without the written consent of the other party, such consent not to be unreasonably withheld.

## 7. DISPUTES

- 7.1 If a dispute arises out of or relates to this Agreement a party must not commence any court or arbitration proceedings unless they have complied with the following paragraphs of this clause except where the party seeks urgent interlocutory relief.
- 7.2 A Party claiming that a dispute (“Dispute”) has arisen under or in relation to this Agreement must give written notice to the other party specifying the nature of the Dispute.
- 7.3 On receipt of that notice by that other Party, the other Party must endeavour in good faith to resolve the Dispute expeditiously using informal dispute resolution techniques such as mediation, expert evaluation or determination or similar techniques agreed by them.

7.4 If the Parties do not agree within seven (7) days of receipt of the notice (or such further period as agreed in writing by them) as to the dispute resolution technique and procedures to be adopted the timetable for all steps in these procedures and the selection and compensation of the independent person required for such technique, the parties must mediate the Dispute in accordance with the Mediation Rules of the Law Society of New South Wales and the President of the Law Society of New South Wales or the President's nominee will select the mediator and determine the mediator's remuneration.

**7. Proper Laws**

7.1 This Agreement is governed by and will be construed in accordance with the laws of New South Wales.

**EXECUTED BY THE PARTIES:**

**SIGNED** for & on behalf of     )  
[insert Designer name in  
the presence of:                     )

.....

.....  
(Witness)

**SIGNED** for & on behalf of     )  
[insert Manufacturers name     )  
in the presence of:                     )

.....

.....  
(Witness)

