

WAC 434-04-070 Nonexclusive licensing agreement—Contents. A license agreement issued by authority of this chapter shall contain provisions including, but not limited to, the following:

- (1) The agreement shall be nonexclusive;
- (2) Any unit manufactured or sold during the term of the agreement shall be subject to a royalty payment. No unit may be sold or manufactured except during the term of the agreement;
- (3) The term of the agreement shall be a period of not more than one year, commencing on the day the agreement is executed. At the time the agreement is executed, the applicant shall choose as an ending date either:
 - (a) One year from the date the agreement is executed; or
 - (b) The first day of the applicant's next financial year following the date the agreement is executed.
- (4) The due date of the royalty payment shall be thirty days after the ending date of the agreement;
- (5) At the discretion of the secretary, the royalty shall equal one dollar per unit manufactured or 5% of the gross receipts. The royalty shall accrue and be payable on or before the due date;
- (6) The applicant shall provide, prior to commencing distribution, an actual production sample to the secretary;
- (7) The applicant shall have the option to request renewal of the licensing agreement. The license agreement shall contain the procedure for exercising the option to renew;
- (8) The secretary shall have the right to inspect production and financial records relating to the use of the seal;
- (9) Any guidelines or limitations regarding the advertising or promotion of the item shall be stated.

[Statutory Authority: RCW 43.04.040(4). WSR 89-20-031, § 434-04-070, filed 9/29/89, effective 10/30/89.]