

Grimm, Ulrich J.

Research Report

B2B (Business to Business) Sale or Exclusive Licensing of a Software-Based Internet Platform: Target driven, legally certain and compliant development of a tailored agreement

EIKV-Schriftenreihe zum Wissens- und Wertemanagement, No. 54

Provided in Cooperation with:

European Institute for Knowledge & Value Management (EIKV), Hostert (Luxembourg)

Suggested Citation: Grimm, Ulrich J. (2024) : B2B (Business to Business) Sale or Exclusive Licensing of a Software-Based Internet Platform: Target driven, legally certain and compliant development of a tailored agreement, EIKV-Schriftenreihe zum Wissens- und Wertemanagement, No. 54, European Institute for Knowledge & Value Management (EIKV), Wiltz

This Version is available at:

<https://hdl.handle.net/10419/300546>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

EIKV-Schriftenreihe zum
Wissens- und Wertemanagement

**B2B (Business to Business) Sale or Exclusive
Licensing of a Software-Based Internet
Platform**

Target driven, legally certain and compliant
development of a tailored agreement

Ulrich J. Grimm



IMPRESSUM

EIKV-Schriftenreihe zum Wissens- und Wertemanagement

Herausgeber: André Reuter, Thomas Gergen

© EIKV Luxembourg, 2016 – 2024

European Institute for Knowledge & Value Management (EIKV)

Château de Wiltz

L-9516 Wiltz - GD de Luxembourg

info@eikv.org

www.eikv.org

B2B (Business to Business) Sale or Exclusive Licensing of a Software-Based Internet Platform

Target driven, legally certain and compliant development of
a tailored agreement

Ulrich J. Grimm

Die vorliegende Arbeit wurde als Thesis zur Erlangung eines Doctorate in Business Administration (DBA) bei der DTMD University for Digital Technologies in Medicine and Dentistry, DTMD University eingereicht und mit „magna cum laude“ bewertet. Betreuer der Thesis war Prof. Dr. Dr. Thomas Gergen.

Besondere Erwähnung

Die DTMD University for Digital Technologies in Medicine and Dentistry stimmen den in der vorliegenden Thesis ausgedrückten Meinungen weder zu, noch werden diese abgelehnt. Die ausgedrückten Meinungen sind als diejenigen des Autors anzusehen.

Table of Contents

A. Thesis.....	1
I. Introduction/Background.....	1
a) Dilemma of and Strategies for In-house Developed Software-Based Internet Platforms.....	1
b) Goal and Approach of this Thesis	3
II. Intangible Properties and Legal Areas to be Considered	5
a) Law of Obligations (German Civil Code)	8
b) Intellectual Property Rights (Copyrights, Industrial Property Rights)....	11
c) Antitrust and Competition Law (Unfair Competition, Antitrust Law).....	21
d) Data Protection (General Data Protection Regulation)	30
e) Other Legal Areas (Tax, Insolvency)	33
f) Requirement for Individual Agreements	38
III. Options for Future Success, Process of Divestment and Valuation of In-house Developed Software-Based Internet Platforms.....	42
a) Targets of Seller and Buyer	42
b) Solution Based on Common Interests of Buyer and Seller	44
c) Levers.....	45
d) Bidding Process/Selection	53
e) Valuation.....	57
IV. Development of a B2B License Agreement (Annex III 'B2B License Agreement').....	59
a) General - Section I	60
b) Commercial - Section II.....	68
c) Legal - Section III	69
d) Attachments.....	84
e) Closure	86
V. Special Constellations	88

a) Apps	88
b) Hosting	89
c) Domain Names	90
VI. Summary and Outlook.....	92
B. List of References.....	94
C. List of Web References	96
D. Jurisdiction Referenced	98
E. English Law References	100
F. Abbreviations	104
G. Glossary	107
H. Annexes	108
Annex I: Decision Matrix.....	109
Annex II: Checklist.....	111
Annex III: B2B License Agreement.....	117
Annex IV: Template Software License Agreement.....	118

A. Thesis

I. Introduction/Background

In recent years, hype around innovation and digitalization activities has arisen. Huge investments have occurred across all industries, trying to disrupt existing business models. Following the examples of Airbnb or Uber, industry leaders without physical inventory, many companies have developed new internet platforms and marketplaces. Realizing that the business case is not working out or additional investment is required, many organizations are reconsidering these activities, especially if they do not form a part of their core business. Often, awareness increases that platforms are usually better managed independently. For example, a platform for used cars operated by Mercedes-Benz will not attract customers of other car manufacturers unless managed by an independent organization. The challenge arises for maximizing the return on investment through efficient and compliant sale or exclusive licensing of the developed intellectual property. Targeting a prosperous future while maintaining some core benefits of the proficiently tailored software-based internet platform requires a thorough agreement. Software licensing is a topic that has only evolved in recent years. Several dedicated laws and regulations must be considered, especially when exclusively transferring specially developed solutions between businesses. So far, there is minimal experience or blueprints for corresponding agreements publicly available. This thesis aims at providing a general overview, guideline, and possible solution. Personally, the topic of this thesis is the perfect fit as it combines my background in IT and innovation, professional experience in negotiating sales and purchase agreements, as well as my recent studies of law with a focus on IP rights. In an international business context negotiations are often conducted in English and the outcome manifested in English agreements. Publishing the thesis in English will help make the information learned and experience gathered available to a broader audience.

a) *Dilemma of and Strategies for In-house Developed Software-Based Internet Platforms*

Software is the brain of an information society. Computer programs are everywhere. The internet is based on HTML codes and JAVA script programs. Alongside

the internet, the software market is continually growing.¹ The value of intangible assets over tangible assets for the Standard & Poor's 500 Index (S&P 500) companies has grown from 17% in 1975 to 90% in 2020. As of 2020, 90% of all assets in the S&P 500 are intangible.² Such intangible assets consist of patents, brand value, customer data, and software. In 2008, the turnover with license agreements covering intangible assets cumulated worldwide at 200 billion US dollars.³ The software-based internet platform Instagram was sold for 1 billion US dollars in 2013 as a company of 13 employees.⁴ WhatsApp was acquired by Facebook for 19 billion US dollars in 2014, a staggering price for an app that made little money and was largely popular outside the U.S.⁵ This demonstrates the immense value behind software-based internet business models and explains the drive for companies to develop software-based internet platforms in-house aimed at disrupting existing business models. Once a divestment decision matures, the challenge for the developing company is to materialize intangible assets and create value in the form of profit while also benefitting long-term from the in-house created intellectual property. The dilemma is how to reconcile the conflicting interests of the seller and the buyer. Finding a common denominator between the involved parties leads to a win-win situation if the goals and interests of both sides are being evaluated upfront. Carefully planned and thinking ahead, the seller has many options and levers for finding a sustainable solution. Targeting a prosperous future for such a platform while maintaining some core benefits of the proficiently tailored software requires a thorough agreement. Software licensing is a topic that has evolved in recent years. Different laws and regulations must be considered, especially between businesses, to find the most suitable approach. Particular focus shall be on short- and long-term targets of the selling corporation which has developed and brought to market an innovative software-based internet platform. Most corporations have yet to gain experience with such sales, so it is vital to define the targets of the seller upfront and identify an approach that maximizes target achievements. A comprehensive, clearly documented, and compliant solution from the bidding process to the closure

¹ Hoeren: IT-Vertragsrecht, p. 77.

² Ali: The Soaring Value of Intangible Assets in the S&P 500, p. 1.

³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. V.

⁴ Rodrigues: As calls grow to split up Facebook, employees who were there for the Instagram acquisition explain why the deal happened, p. 1.

⁵ Warzel/Mac: These Confidential Charts Show Why Facebook Bought WhatsApp, p. 1.

of the agreement, is required when transferring intangible assets between businesses in an international environment.

b) *Goal and Approach of this Thesis*

This thesis aims to investigate the process of selling or exclusively licensing an in-house developed software-based internet platform. Initially, the process shall be reviewed in the light of applicable laws and regulations that consider the intangibility of such assets. The overall requirements and constraints for developing a corresponding agreement shall be demonstrated. For the individual agreement, particular focus shall be on short- and long-term targets of the selling corporation that has developed and brought to market an innovative software-based internet platform. Most corporations have yet to gain experience with such sales, so it is vital to define the targets of the seller upfront and identify an approach that maximizes target achievement. A comprehensive, clearly documented, and compliant solution from the bidding process to the closure of the agreement for international enterprises shall be proposed with emphasis on the development of the agreement itself. Different levers shall be demonstrated and investigated to benefit the selling corporation. Some license agreements already exist as blueprints, e.g., for the provision of standard software to end-users. This thesis reviews the critical sections of such license agreements for standard software and amends or extends them to apply for a legally certain and compliant B2B sale or exclusive licensing of an in-house developed software-based internet platform. Beyond legal requirements and compliance, software-specific questions such as hosting and data protection as well as the transfer of trademark or domain names, will be addressed as these form a vital part of such deals between international corporations. The process is based on the experience of selling a software-based internet platform that was developed and brought to market within a larger corporation as part of its innovation roadmap and related activities. The software-based internet platform has been developed using in-depth industry knowledge and addressing an immediate need within the organization. Once brought to market successfully, the decision matured that such a software-based internet platform is helpful but does not form part of the core business. A decision was required to secure the growth and long-term success of the platform. This thesis aims to demonstrate the process for divestment and shall help other corporations facing similar challenges in conducting such a transfer of ownership swiftly and successfully. The templates developed and the levers identified

shall assist in conducting the process when drafting and negotiating a transfer agreement between businesses. References, jurisdiction, laws available in English, an overview of abbreviations used throughout this thesis, and a glossary for the translation of important terms are provided at the end.

II. Intangible Properties and Legal Areas to be Considered

The 19th century was already dominated by temporary and territorial privileges and a general discussion on intellectual property and the legal protection of copyrights.⁶ Intellectual property rights, or IP-rights, are described as intangible property rights. Intangible goods are immaterial but still constitute an economic value or goodwill. Intangible property rights are divided into industrial property rights and copyrights. Industrial property rights include the protection of technical inventions in the form of patents and utility models on the one hand and trademarks on the other hand.⁷ Intangible goods form a significant part of the value of the company.⁸ Since the end of the 20th century, software is considered an intangible good.

A clear and comprehensive definition of 'software' is not available to date. The EU Dual Use Regulation⁹ (Regulation (EU) 2021/821) Annex I provides helpful assistance. According to the regulation, 'software' means a collection of one or more programs or microprograms fixed in any tangible medium of expression. 'Program' means a sequence of instructions to carry out a process in, or convertible into, a form executable by an electronic computer. 'Source code' is a convenient expression of one or more processes that a programming system may turn into equipment executable form (object code). 'Object code' means an equipment executable form of a convenient expression of one or more processes (source code) that a programming system has compiled. This resembles the definition by the EC-Commission in 2004¹⁰ when it decided in the Microsoft case that software refers to machine-readable instructions that direct the hardware operations to execute a specific function. The software consists of several prompts and programs in different programming languages. It is usually distinguished by source code as a software version that human programmers can read. The original version of most software is written by a human. The source code gets 'compiled' or translated into object code, which is the version of software that a computer can read.¹¹ In 1977, the World Intellectual Property Organization (WIPO) defined a computer program as a sequence of

⁶ Gergen: Die Nachdruckprivilegienpraxis Württembergs im 19. Jahrhundert, p. 29/36/46.

⁷ Grimm: Nachweis der rechtserhaltenden Benutzung von Marken in einem internationalen Konzern, p. 8.

⁸ Gergen: Mediation und Translation im Recht des Geistigen Eigentums, p. 19.

⁹ EU Dual Use Regulation.

¹⁰ EC Commission, Decision, 24.03.2004, Case COMP/C-3/37.792 Microsoft, see recital 21.

¹¹ Tollen: Cloud Computing Agreements, Software Licenses, and Other IT Contracts for Lawyers and Businesspeople, p. 271.

prompts in a programming language for a computer to execute and provide a result.¹² The expressions 'computer software' and 'computer program' are often used synonymously.¹³ An internet platform allows users to interact with the computer through the internet by accessing a web page or through an app. It requires software on different levels. On the one hand, software is required for the front-end or user interface, e.g., in the form of HTML-pages¹⁴ or through an app. The acronym 'app' derives from application. Apps are available for various operating systems, such as iOS for Apple devices. On the other hand, software is required within the backend, e.g., for database calculations or other functionality provided by the internet platform. This part of the software is usually hosted on servers in a data center. Any internet platform will in one way or another be software-based. In this case of transferring a software-based internet platform, both source code and object code are in the focus of interest. Software is also distinguished between standard software and individual software. Standard software requires minimal adjustments to be operated on customer hardware, while individual software has been customized and tailored to the needs of a specific customer.¹⁵ A software-based internet platform most likely consists of many elements of individually developed software works that combine to form one new software. Even though not standard in the meaning of being ready for the mass market, the software-based internet platform will then be sold, not as a new development from scratch, but as is and provided to a new owner with very few adjustments. The bundled software of a software-based internet platform could be categorized as standard software when it is ultimately sold. This argument is supported by the fact that properties for standard software are defined in a product description, which will be provided here in this case. In contrast, individual software will instead be described in a specification as a description for the development.¹⁶ In the given scenario, we are looking at all kinds of software regardless of whether it is front-end or back-end, source code or object code, and standard or individual software required to operate the software-based internet platform, as per the defined product description. This will include all software required to access the software-based internet platform and all software required to process any requests centrally on servers or through access to databases.

¹² Marly: Praxishandbuch Softwarerecht, p. 4.

¹³ Marly: Praxishandbuch Softwarerecht, p. 37.

¹⁴ Marly: Praxishandbuch Softwarerecht, p. 498, 500.

¹⁵ Marly: Praxishandbuch Softwarerecht, p. 290.

¹⁶ Marly: Praxishandbuch Softwarerecht, p. 612.

The whole bundle shall be transferred to a new owner through sale or exclusive licensing.

A license is alien to German copyright law. It has previously often been referred to as 'provision of software' or 'transfer of software' (Softwareüberlassung). Intellectual property rights will be transferred from the vendor to the customer.¹⁷ The software in the form of the source code will be provided from one party to another through file transfer, download, on a media carrier, or even printed on paper to install and run it in the other party's computer environment.¹⁸ The terms 'software provisioning' or 'software transfer' do not have a firm legal meaning.¹⁹ Lately, the term 'license' has prevailed mainly for the grant of user rights in Germany. Influenced by the American software scene, it has now become more common to refer to such contracts as 'license agreements'.²⁰ In short, a 'software license' is a grant of permission by the owner of a legal right to software (licensor) for another person or entity (licensee) to use the software within a certain permitted frame.²¹ A transaction in the form of providing or transferring software through a license agreement can be carried out in different ways.²² Usage rights on intangible assets are being granted in the form of a license. This includes software, know-how, data and other intangible assets like trademarks. '*Licere*' as a Latin term stands for 'granting permission'.²³ A license agreement assigns the usage rights of IP from a licensor to a licensee. It defines the legal framework for the business relationship. By the means of a license, the intangible property rights can be exploited economically. However, for a license many legal areas like the law of obligations, intellectual property rights, antitrust and competition laws, data protection laws, and other legal areas must be considered to legally authorize the usage of intangible products, especially in a B2B environment that generally is embedded in an international cross-border context. Along with the consideration of different laws, there is plenty of room for flexibility and creativity in drafting license agreements.

¹⁷ Tollen: The Tech Contracts Handbook, p. xii.

¹⁸ Marly: Praxishandbuch Softwarerecht, p. 289.

¹⁹ Marly: Praxishandbuch Softwarerecht, p. 286.

²⁰ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 682.

²¹ Young: Software Licensing Agreements, p. 6.

²² Taeger/Pohle: Computerrechts-Handbuch, see recital 119.

²³ Oberfell/Hauck: Lizenzvertragsrecht, p. 1.

a) Law of Obligations (German Civil Code)

License agreements fall as contractual agreements under the law of obligations, which in the lack of special regulations for intangible property rights, must follow the general regulations of the German Civil Code (Bürgerliches Gesetzbuch, BGB²⁴).²⁵ The German Civil Code has been the basis for civil law in Germany for more than 100 years. In 2002, the German Civil Code underwent its biggest modification with the reform of the law of obligations.²⁶ Special regulations for license agreements, e.g., on copyrights, only address certain aspects from a legal perspective. Many overarching topics like entering into an agreement, defects, warranty, termination, etc., are not covered.²⁷ The standard provisions of the German Civil Code do fill in here, starting with the concept of *culpa in contrahendo* granting in the negotiation phase of an agreement for a right to compensation and damages or the right of withdrawal. A license agreement constitutes a reciprocal contractual obligation as per section 320 *et seq.* BGB. The German Civil Code must be applied for all aspects, if not otherwise agreed upon by the parties within the agreement.²⁸ Claims for compensation of damages due to *culpa in contrahendo*, e.g., in case of misinformation, are governed by section 280 (1), section 311 (2), and section 241 (2) BGB.²⁹ Exclusion of the duty of performance in case of impossibility and its results underlie section 275 BGB.³⁰ Entry into a contract is governed by section 104 *et seq.* BGB. The contract is entered by offer (section 145 BGB) and acceptance (section 147 BGB). Form requirements do not exist. Voidability for mistake as per section 119 BGB or on the grounds of deceit or duress as per section 123 BGB are also covered by the German Civil Code. Furthermore, according to section 314 BGB, each party may terminate the contract for a compelling reason. The contract may be terminated in case of breach of a duty under the contract after a warning notice and expiry of a period specified for relief without result unless exceptional circumstances justify an immediate termination. An obligor must perform a duty per section 242 BGB according to the requirements of good faith, considering customary practice. Section 323 BGB regulates the obligee's right of withdrawal in case of

²⁴ German Civil Code.

²⁵ Obergfell/Hauck: Lizenzvertragsrecht, p. 2.

²⁶ Jura Individuell: Die Entwicklung des Bürgerlichen Gesetzbuches, p. 7.

²⁷ Obergfell/Hauck: Lizenzvertragsrecht, p. 78.

²⁸ Obergfell/Hauck: Lizenzvertragsrecht, p. 79.

²⁹ Marly: Praxishandbuch Softwarerecht, p. 527.

³⁰ Marly: Praxishandbuch Softwarerecht, p. 540.

non-performance or if the performance is not provided per the agreement, while section 324 BGB grants the parties a right of withdrawal if a duty of conduct within the meaning of section 241 (2) BGB is infringed. In both cases, the right of withdrawal becomes a right of *ex nunc* termination.³¹ Reasons for termination and breach should be listed in the agreement in a non-comprehensive manner. The interpretation of the contract in good faith is governed by section 157 BGB. Along with section 133 BGB, the declaration of intent is interpreted by ascertaining the true intention rather than adhering to the literal meaning of the declaration. Interpretation of the intent depends on common usage, the circumstances when entering the contract, or the interests of both parties involved.³² This may impact the scope of rights assigned under a license agreement. In case of doubt, the licensor only intends to license the rights if they are required for the contractual purpose.³³ For other topics, it is vital to understand which areas of the agreement fall into which contract type to understand what clauses of the German Civil Code are applicable. E.g., if the agreement is considered a purchase agreement, then section 433 *et seq.* BGB will be applicable. This would be the case if rights are permanently transferred and therefore sold.³⁴ Under a purchase agreement, the seller of a thing is obliged to deliver the thing to the buyer and to procure ownership for the buyer. Therefore, software would have to fall under the definition of 'things' in section 90 BGB. According to the concept of the thing, only corporeal objects are things as defined by law. Even though it is disputed to date in literature, software is widely regarded as a corporeal object. This is the case when software codes are printed on paper and transferred, but even the transport or transmission on a media carrier such as a CD or a hard drive requires a corporeal form of the software for its usage.³⁵ This also applies in the case of file transfers via the internet, where at the recipient's end, some kind of hardware is required to incorporate the software.³⁶ Per jurisdiction of the German Federal Court of Justice, software can be regarded as a thing.³⁷ Furthermore, section 453 (1) BGB clarifies that provisions governing

³¹ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 304.

³² Taeger/Pohle: Computerrechts-Handbuch, see recital 120.

³³ Obergfell/Hauck: Lizenzvertragsrecht, p. 9.

³⁴ Obergfell/Hauck: Lizenzvertragsrecht, p. 82.

³⁵ Marly: Praxishandbuch Softwarerecht, p. 311.

³⁶ Marly: Praxishandbuch Softwarerecht, p. 315.

³⁷ BGH, Decision, 15.11.2006, XII ZR 120/04 (LG Mühlhausen) – Rechtsnatur der Software-überlassung im Rahmen eines ASP-Vertrags - Standardsoftware als Sache, see recital 15.

the purchase of things apply accordingly to the purchase of rights and other objects, including digital content when purchased by a consumer.³⁸ In addition, for contractual duties to be governed as purchase agreements according to section 433 (1) BGB, the procurement of ownership of the thing for the buyer is required. Permanently letting and granting usage rights to the purchaser would be considered as providing ownership. Especially selling or exclusively licensing a software-based internet platform equals a procurement of ownership. The permanent provision of rights would qualify the agreement as a purchase agreement or at least similar to a purchase agreement.³⁹ Purchaser has the owner's power as per section 933 BGB.⁴⁰ According to the discussion above, one may refer to a software purchase agreement or a software license agreement.⁴¹ A license agreement allows the usage of intangible goods by another party. A license agreement may form a continuous obligation according to section 314 BGB, especially when discussing standardized off-the-shelf software that is provided for a more extended or indefinite period. For software that is only temporarily given to customers, the lease terms of the German Civil Code (section 535 *et seq.* BGB) may be relevant. In the case of individually designed and developed software for a customer, such an agreement would fall into the section of a contract to produce a work and be governed by section 631 *et seq.* BGB. In all these scenarios, the applicable rules and regulations for acceptance, defects, claims for defects, compensation, guarantees, and liabilities depending on the contract type must be considered. A license agreement can be seen as a contract *sui generis* that may incorporate elements of purchase, lease, work, or other contracts. Which ones exactly apply must be decided upon individually.⁴² The goal of this thesis is to develop a transfer agreement for the provisioning of software that falls into the category of purchase agreements and is governed mainly by applicable provisions of the German Civil Code, whilst further provisions of other legal areas such as copyrights are also considered.

³⁸ Hoeren: IT-Vertragsrecht, p. 78.

³⁹ Marly: Praxishandbuch Softwarerecht, p. 301.

⁴⁰ Marly: Praxishandbuch Softwarerecht, p. 319.

⁴¹ Marly: Praxishandbuch Softwarerecht, p. 320.

⁴² Marly: Praxishandbuch Softwarerecht, p. 304.

New provisions have been introduced to the German Civil Code in 2022 addressing contracts on digital products.⁴³ However, the new section 327 BGB applies to consumer contracts only. With this thesis addressing sales or exclusive licensing of a software-based internet platform between businesses rather than consumers in a B2C (business to consumer) relationship, these new regulations will not be explicitly addressed.

b) *Intellectual Property Rights (Copyrights, Industrial Property Rights)*

Intellectual property rights are traditionally divided into copyrights and industrial property rights. Copyrights are laid out in the Copyright Act (Urheberrechtsgesetz, UrhG⁴⁴). Industrial property rights deal with the protection of technical inventions through patents, utility models, or trademark rights.⁴⁵ Industrial property rights are, for example, defined in the Patent Act (Patentgesetz, PatG⁴⁶), design rights (Designgesetz, DesignG⁴⁷), utility models (Gebrauchsmustergesetz, GebrMG⁴⁸), or applicable trademark laws.⁴⁹ In the case of a software-based internet platform, copyrights and industrial property rights have to be considered in the course of transferring intellectual property. The corresponding special regulations precede the general aspects governed by the German Civil Code.

i. *Copyright (Urheberrecht)*

Ever since the 1970s, there have been discussions worldwide on how to treat and protect software. It has been generally regarded as beneficial for software to fall under the general copyright protection already in place for literature. The EU decided in its Council Directive 91/250/EEC⁵⁰ of May 14th, 1991, on the legal protection of computer programs to protect computer programs by copyrights as literary works. Apart from Europe, under the umbrella of the newly formed World Trade Organization (WTO), the United States and other industry nations decided to regard

⁴³ Züwerink-Roek: Das neue BGB Vertragsrecht für digitale Produkte und Dienstleistungen, p.1.

⁴⁴ Act on Copyright and Related Rights.

⁴⁵ Hacker: Markenrecht, p. 5.

⁴⁶ Patent Act.

⁴⁷ Act on Legal Protection of Designs.

⁴⁸ Utility Model Act.

⁴⁹ Obergfell/Hauck: Lizenzvertragsrecht, p. 2.

⁵⁰ Legal Protection of Computer Programs.

software as literature (article 10 (1) of the Agreement on Trade-Related Aspects of Intellectual Property Rights, TRIPS⁵¹ of April 15th, 1994). The primary source for copyrights under German law is the Act on Copyright and Related Rights (Urheberrechtsgesetz, UrhG⁵²) of September 9th, 1965. In 1985, software-specific rules were introduced in section 69a UrhG making computer programs of any form, including drafts and their preparatory design material, an object of protection.⁵³ The Act on Copyright and Related Rights protects intellectual creations as works in the literary, scientific, and artistic domains (section 1 UrhG). With the implementation of the software directive from 1991 (Council Directive 91/250/EEC on the legal protection of computer programs) computer programs are specifically included, e.g., in section 2 (1) point 1 UrhG. As per section 7 UrhG, the author is the creator of the work that falls under the protection mentioned above. A work is subject to property protection guaranteed by article 14 (1) of the Basic Law for the Federal Republic of Germany (Grundgesetz, GG⁵⁴). Databases are also protected once their makers invest in collecting works, data, or other independent elements systematically or methodically. Section 4 UrhG protects the maker's investment. The protection under the Copyright Act stretches from the author's moral rights like recognition of authorship to exploitation rights. In the software industry, it is good practice to deviate from the right of recognition under section 13 UrhG. Since many authors often work on one software together, they are usually not identified individually.⁵⁵ Exploitation rights are defined as the right of reproduction (section 16 UrhG), the right of distribution (section 17 UrhG), and the right to make works publicly available (section 19a UrhG). Special provisions under the Copyright Act that apply to computer programs, e.g., allowing back-up copies or reverse engineering, are defined. Some exceptions exist for copyrights of computer programs as per section 69a (5) UrhG compared to other copyrights. Most importantly, clauses for equitable remuneration (section 32 UrhG), author's further participation (section 32a UrhG), compulsory application (section 32b UrhG), and the right of revocation in case of non-exercise (section 41 UrhG) do not apply and must be considered separately when drafting a license agreement. For section 69 *et seq.* UrhG to apply only a very low threshold

⁵¹ Agreement on Trade-Related Aspects of Intellectual Property Rights, TRIPS.

⁵² Act on Copyright and related Rights.

⁵³ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, see recital 1.

⁵⁴ Basic Law for the Federal Republic of Germany.

⁵⁵ Redeker: IT-Recht, p. 14.

of originality is required.⁵⁶ Everything can be protected unless it is too trivial.⁵⁷ The copyright itself is not transferrable. However, the marketability of copyrights is enabled by granting usage rights through licensing.⁵⁸ According to section 31 (1) UrhG, such rights of use can be granted as non-exclusive or exclusive rights and may be limited regarding place, time, and content (e.g., production, distribution, usage, import/export). According to section 34 (1) UrhG, a right of use may only be further transferred with the author's consent. In the case of exclusive usage rights as per section 35 (1) UrhG, granting further rights is subject to prior approval of the author.⁵⁹

If several creators work together, which is often the case in software development, they will be considered as joint authors (section 8 (1) UrhG). This also applies to authors working in employment or under a service contract as per section 43 UrhG. However, for computer programs being created by employees in the execution of their duties or following instructions of the employer, the employer alone is entitled to exercise all economic rights in the computer program (section 69b UrhG) instead of the employed creator.⁶⁰ Whenever acquiring or selling software, it must be ensured that such economic exploitation rights are assigned to the contracting party. Section 69a *et seq.* UrhG governs copyrights of computer programs that exclude the applicability of the general section 44a *et seq.* UrhG for software. It is irrelevant for which form software exists, which language, whether source code vs. object code, or whether standard vs. individual for software to fall under section 69a UrhG. Apps for smartphones or tablets are also included.⁶¹ Internet presentations based on HTML would not be protected by copyrights. The HTML code constitutes a computer program but lacks the required individuality for copyright protection.⁶² All borders of the copyright are clarified exhaustively in sections 69d and e UrhG allowing one backup copy and reverse engineering to a certain extent. According to section 69c UrhG, rightsholders have the exclusive right to perform or authorize the following acts: Firstly, section 69c point 1 UrhG clarifies reproduction rights. Insofar as

⁵⁶ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 697.

⁵⁷ Redeker: IT-Recht, p. 5.

⁵⁸ Obergfell/Hauck; Lizenzvertragsrecht, p. 34.

⁵⁹ Obergfell/Hauck: Lizenzvertragsrecht, p. 37.

⁶⁰ Obergfell/Hauck: Lizenzvertragsrecht, p. 29.

⁶¹ Marly: Praxishandbuch Softwarerecht, p. 39.

⁶² Redeker: IT-Recht, p. 3.

loading, displaying, running, transmission or storage of the computer program necessitates reproduction, the permanent or temporary reproduction, in whole or in part, of a computer program by any means and in any form is subject to authorization by the rightsholder. Any such transfer of the software from one server to another including the creation of backup copies, requires authorization. Reproduction would also include changing the media, e.g., by printing the source code on paper.⁶³ Apart from the fact that one backup copy cannot be denied as per section 69d (2) UrhG, such reproduction rights must be granted to the licensee in the case of B2B exclusive licensing of a software-based internet platform. Secondly, section 69c point 2 UrhG discusses modification of the software as *lex specialis* over section 23 UrhG and section 39 UrhG according to which it is not allowed to alter the work. Only rightsholders have the right to translate, adapt, arrange, or otherwise modify the computer program.⁶⁴ It is a common understanding within the industry that if the source code is provided under an agreement, then also the corresponding rights under section 23 UrhG are granted to change or modify the software.⁶⁵ Such right must be granted to the licensee in the case of exclusive licensing for the licensee to enhance and develop the software further. Thirdly, section 69c point 3 UrhG covers distribution rights. Only the rightsholders shall be entitled to any form of distribution of the original computer program or of copies thereof, including rental. Such distribution rights cover all forms of making the software, partially or in total, publicly available.⁶⁶ The corresponding rights must also be granted to the licensee when exclusively licensing a software-based internet platform. The second portion of the paragraph addresses the exhaustion theory (Erschöpfungstheorie). Where a copy of a computer program is put into circulation with the rightsholder's consent in the territory of the European Union by sale, the right of distribution is exhausted in respect of this copy. This means that with the initial sale, the owner had the opportunity to receive a fair remuneration for his work. No additional remuneration shall be granted afterward when the software is resold by the initial buyer.⁶⁷ This was also considered by the German Federal Court of Justice in its decision of December 11th, 2004, on UsedSoft III. Once a computer program, regardless of whether in tangible or intangible form, has been sold by the rightsholder, distribution rights are

⁶³ Marly: Praxishandbuch Softwarerecht, p. 77/78.

⁶⁴ Marly: Praxishandbuch Softwarerecht, p. 82.

⁶⁵ Redeker: IT-Recht, p. 14.

⁶⁶ Marly. Praxishandbuch Softwarerecht, p.87.

⁶⁷ Marly: Praxishandbuch Softwarerecht, p. 89.

exhausted. Any further distribution is free.⁶⁸ Last but not least, section 69c point 4 UrhG covers communication with the public. The owner of the rights may communicate the computer program to the public, either by wire or wireless means, including making the work available to the public in such a way that it is available to members of the public from places and, at times, individually chosen by them. This equals the rights covered by section 19a UrhG⁶⁹ and is paramount in the case of a software-based internet platform that shall enable the broad public to access and interact with such a platform as part of the business model.

Other exceptions to restricted acts, apart from the already mentioned allowed backup copy, are listed in section 69d UrhG. Most importantly, no authorization is required if acts are necessary for the use of the computer program in accordance with its intended purpose. This includes the copying or the correction of errors by any person authorized to use a copy of the program.⁷⁰ Persons have a right to use a copy of a computer program without the rightsholder's authorization to observe, study, or test the functioning of that program to determine the ideas and principles that underlie any element of the program. This must occur while performing any acts of loading, displaying, running, transmitting, or storing the program to which that person is entitled to enable experimentation as underlying ideas of software do not fall under any protection.⁷¹ In addition, the right to decompile the software is granted under section 69e UrhG in cases where reproduction of the code or translation of its form is indispensable to obtain the information necessary to achieve the interoperability of an independently created computer program with other programs. However, decompilation does not generate the original source code but a mere reconstruction without any comments.⁷² Such right may not be withheld but does not prove to be very relevant in practice.⁷³ Reverse engineering to illegally copy and distribute the software is not covered by this provision.

As in section 98 UrhG also section 69f UrhG covers rights in case of infringement. The rightsholder may require all copies to be destroyed by the owner or proprietor that unlawfully produced or distributed such copies. Opposed to section 98 UrhG,

⁶⁸ BGH, Decision, 11.12.2014, I ZR 8/13 (OLG Frankfurt a.M.) – Erschöpfung des Verbreitungsrechts an Kopien eines Computerprogramms – UsedSoft III, see recital 58.

⁶⁹ Marly: Praxishandbuch Softwarerecht, p. 117.

⁷⁰ Redeker: IT-Recht, p. 24.

⁷¹ Marly: Praxishandbuch Softwarerecht, p. 125.

⁷² Hoeren: IT-Vertragsrecht, p. 59.

⁷³ Marly: Praxishandbuch Softwarerecht, p. 127.

the possession of unlawfully produced software is sufficient for section 69f UrhG to apply regardless of guiltiness.⁷⁴ It is questionable to which extent the destruction rights stretch. Due to required proportionality such destruction rights would not cover the destruction of entire cloud servers hosting such copies. A deletion from the hard drive should be assumed sufficient in this case.⁷⁵ For all other areas of breach, sections 97 to 111b UrhG apply covering cessation of infringement, damages, compensation, fines, and criminal prosecution. The unlawful exploitation of copyrighted works shall, according to section 106 UrhG, incur a penalty of imprisonment for a term not exceeding three years or a fine. Already, the attempt is to be punished. As per section 64 UrhG copyrights expire 70 years *post mortem auctoris*.⁷⁶ With very few software programs having reached such an age, copyright protection for computer programs can be taken for granted.⁷⁷ Usage rights on previously developed software will be granted by the licensor to the licensee through a license agreement. The interpretation of such usage rights follows the Copyright Act.⁷⁸

Ideas and principles that underlie any element of a computer program, including the ideas and principles that underlie its interfaces, are not protected as outlined in section 69a (2) UrhG.⁷⁹ Opposed to the database software, the single elements of the database or its content would not fall under copyrights for software. Makers of databases are protected by the Copyright Act.⁸⁰ 'Database' in this context is a collection of works, data, or other independent elements arranged systematically or methodically and individually accessible by electronic or other means and whose obtaining, verification, or presentation requires a substantial qualitative or quantitative investment per section 87a (1) UrhG. Protected is the person who invested in the database, not necessarily the person who has collected the data.⁸¹ As per section 87b (1) UrhG the producer of the database has the exclusive right to reproduce and distribute the database as a whole or as a qualitative or quantitative substantial part of the database and make it available to the public. For the content of databases, usage rights must be agreed upon, in the form of a license. In this case, the

⁷⁴ Marly: Praxishandbuch Softwarerecht, p. 133.

⁷⁵ Marly: Praxishandbuch Softwarerecht, p. 134.

⁷⁶ Hoeren: IT-Vertragsrecht, p. 4.

⁷⁷ Marly: Praxishandbuch Softwarerecht, p. 180.

⁷⁸ Taeger/Pohle: Computerrechts-Handbuch, see recital 120.

⁷⁹ Hoeren: IT-Vertragsrecht, p. 58.

⁸⁰ Gruber: Gewerblicher Rechtsschutz und Urheberrecht, p. 48.

⁸¹ Hoeren: IT-Vertragsrecht, p. 14.

rights of the producer of the database expire 15 years after publication per section 87d UrhG. The software that drives the database would be protected as software under section 69a UrhG.⁸²

Manuals, operating instructions, or specifications would generally not be regarded as software but still fall under copyright protection as works of literature or scientific illustrations if classified as intellectual creations per section 2 UrhG.⁸³ User manuals and other accompanying material fall under the general copyrights of section 45 *et seq.* UrhG and section 53 UrhG when it comes to copies for private usage or otherwise.⁸⁴

Open Source software is mainly free of charge, but still subject to copyrights and certain usage restrictions. The term 'Open Source' refers generally to a community-based approach to creating any intellectual property, such as software, through open collaboration, inclusiveness, transparency and frequent public updates.⁸⁵ Open Source is a common form of licensing. However, due to the license obligations, Open Source software is often avoided and excluded in a B2B context.⁸⁶

ii. Industrial Property Rights (Gewerblicher Rechtsschutz)

A software-based internet platform may be protected by industrial property rights in the form of patents or trademarks. Design rights and utility models can be neglected due to the lack of relevance in this context.

Patent Rights

Ideas cannot be protected. This general rule applies to ideas that form the basis of a computer program. The requirements for software to be protected as an invention, e.g., through patenting are extensive.⁸⁷ The Patent Act (Patentgesetz, PatG⁸⁸) was introduced in 1968. Patents have to be registered, e.g., with the German Patent and Trade Mark Office (Deutsche Patent- und Markenamt, DPMA), and protection will be granted for the territory of the registration.⁸⁹ Patents are granted for inventions in all fields of technology provided they are new, involve an inventive

⁸² Marly: Praxishandbuch Softwarerecht, p. 52.

⁸³ Hoeren: IT-Vertragsrecht, p. 25.

⁸⁴ Marly: Praxishandbuch Softwarerecht, p. 659.

⁸⁵ IBM: What is open source software, p. 1.

⁸⁶ Redeker: IT-Recht, p. 35.

⁸⁷ Hoeren: IT-Vertragsrecht, p. 1/2.

⁸⁸ Patent Act.

⁸⁹ Pitz: Beck'sche Formularsammlung zum gewerblichen Rechtsschutz mit Urheberrecht, p. 1.

step, and are susceptible to industrial application as per section 1 (1) PatG. However, computer programs are not regarded as inventions according to section 1 (3) PatG. Software is not patentable. Only individual program-related inventions of a computer program may be patented.⁹⁰ Especially in the case of a software-based internet platform patent protection is very unlikely and uncommon. The reference to patent rights at this point must suffice. The development of a software-based internet platform requires know-how, e.g., in the form of market expertise. Know-how is an IP right that cannot be protected through patenting. However, know-how can be licensed. There is no special agreement for the transfer or licensing of know-how. Since contractual freedom applies, know-how can be transferred under a license agreement and the receiving party will be bound by confidentiality clauses to protect the know-how. It may be helpful to identify and mark know-how that forms part of such an agreement to avoid any doubt. To sum up, software is usually not patentable. The same applies to know-how but know-how can be transferred between businesses in the form of a licensing agreement.⁹¹ Protection is achieved by confidentiality clauses.

Trademark Laws

Trademarks are signs used in trade to distinguish products.⁹² Trademark rights include, *inter alia*, wordmarks, figurative marks, word/figurative marks, color marks, sound marks, or three-dimensional marks. Commercial designations such as company trademarks (e.g., 'Lion Pharmacy'), work titles (e.g., 'Cats' or 'Gone with the Wind'), or geographical designations (e.g., 'Champagne') qualify as trademarks.⁹³ Signs that are capable of distinguishing the goods or services of one company from those of other companies can be protected, unless reasons exist that would prevent a trademark from qualifying for protection. Merely descriptive icons or names cannot be protected. Protection is achieved by registration and only granted in the country where the trademark has been registered. Protection can also be achieved by using the trademark if it is not registered. The corresponding protection can even be preponed by publicly announcing the usage of a trademark.⁹⁴ Depending on the

⁹⁰ Hassenpflug/Schwind/Melchior: Wirtschaftsrecht, p. 159.

⁹¹ Obergfell/Hauck: Lizenzvertragsrecht, p. 20.

⁹² EUIPO: Markendefinition, p. 1.

⁹³ Cohausz/Wupper: Gewerblicher Rechtsschutz und angrenzende Gebiete, see recital 67.

⁹⁴ Hoeren: IT-Vertragsrecht, p. 8.

circumstances, the acquisition of public recognition as a trademark within the affected trade circles of 20-60% may be sufficient to achieve protection.⁹⁵ However, for legal certainty, it is advisable to register the trademark.⁹⁶

In Germany, the Trademark Modernization Act (Markenmodernisierungsgesetz, MaMoG⁹⁷) entered into force with Directive (EU) 2015/2436 on January 14th, 2019, allowing a harmonization of trademark laws within the European Union. Trademark protection can be achieved by registration at the German Patent and Trademark Office (DPMA) in Munich. European trademark laws have been in discussion since the 1960s.⁹⁸ The first EU regulation for a common trademark entered into force on March 15th, 1994, allowing for the first time the registration of a trademark across the European Union from 1996 on.⁹⁹ On March 23rd, 2016, the European Parliament and the Council issued Regulation (EU) 2015/2424¹⁰⁰. As part of this regulation, the European Union Intellectual Property Office (EUIPO) was introduced, and the name of the Community Trademark was changed to Union Trademark (Unionsmarke). The Union Trademark is acquired through registration with the EUIPO and coexists with national and regional trademarks within the European Union. It grants the owner the exclusive right to differentiate and distinguish goods and services from competitors using the protected sign within the European Union.¹⁰¹ The Union Trademark is subject to a supranational protection right for the territory of the European Union.¹⁰²

In the U.S., protection rights in trademarks are established by usage of the trademark. The Federal Trademark Law in the U.S. has become more and more significant through the Lanham Act from 1946 and the latest additions in 1996,¹⁰³ allowing for direct federal registration of trademarks with the U.S. Patent and Trademark Office (USPTO) in Virginia. Such registration into the Principal Register serves as *prima facie* proof of the validity of the trademark and the associated exclusive

⁹⁵ Gruber: Gewerblicher Rechtsschutz und Urheberrecht, p. 79.

⁹⁶ EUIPO: Markendefinition, p. 1.

⁹⁷ Trademark Modernization Act.

⁹⁸ Marx: Deutsches, europäisches und internationales Markenrecht, p. 389.

⁹⁹ Pohlmann: Das Recht der Unionsmarke, Erwerb, Benutzung und Durchsetzung der Unionsmarke unter dem reformierten EU-Markenrecht, p. 8.

¹⁰⁰ Community Trademark.

¹⁰¹ Pohlmann: Das Recht der Unionsmarke, Erwerb, Benutzung und Durchsetzung der Unionsmarke unter dem reformierten EU-Markenrecht, p. 1.

¹⁰² Hacker: Markenrecht, p. 106.

¹⁰³ Berkman Klein Center for Internet & Society at Harvard University: Overview of Trademark Law, Sect. 2.

rights.¹⁰⁴ The U.S. Trademark Law¹⁰⁵ is laid down in the Lanham Act 15 U.S.C §§ 1051 - 1141. The corresponding regulations are defined in Title 37 of the United States Code of Federal Regulations (CFR).¹⁰⁶

International trademarks are administered by the World Intellectual Property Organization (WIPO), established in 1967 in Geneva. In 1989, the WIPO introduced a Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks (PMMA)¹⁰⁷, allowing for an international registration of trademarks. Natural and legal persons of the PMMA member states may also protect trademarks in the U.S. via international registration since the U.S. joined in 2003.¹⁰⁸ As per article 14 (1) PMMA, any intergovernmental organization may also become a party to the protocol where at least one of the member states of that organization is a party to the Paris Convention for the Protection of Industrial Property and that organization has a regional office for the purposes of registering marks with effect in the territory of the organization. This allows for the Union Trademark and, respectively its registration to be the basis for an international PMMA registration. Currently, 114 countries¹⁰⁹, including the European Union, are part of the PMMA. This allows for the owner of a trademark to achieve and maintain international protection in the form of the IR-Trademark (International Registered Trademark) in one language and one currency.¹¹⁰ Opposed to the Union Trademark that proves supranational protection for the territory of the Union, such IR-Trademark only provides a bundle of national trademark protection rights for the selected countries.¹¹¹ Even though the registration takes place centrally, the protection of the IR-Trademark applies from country to country according to national law.¹¹² Registration of the IR-Trademark is not provided by WIPO, but via the authority that has registered the basic trademark.

¹⁰⁴ Ekey/ Bender/ Fuchs-Wisseemann: Markenrecht, p. 1392.

¹⁰⁵ U.S. Trademark Law.

¹⁰⁶ Butler: Die US-Marke, p. 5.

¹⁰⁷ Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.

¹⁰⁸ Ekey/ Bender/ Fuchs-Wisseemann: Markenrecht, p. 946.

¹⁰⁹ WIPO: Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, p. 16.

¹¹⁰ Marx: Deutsches, europäisches und internationales Markenrecht, p. 483.

¹¹¹ Hacker: Markenrecht, p. 106.

¹¹² Cohausz/Wupper: Gewerblicher Rechtsschutz und angrenzende Gebiete, see recital 118.

In Germany, the owner of a trademark or commercial designation possesses exclusive rights according to section 14 and section 15 of the Trade Mark Act (Markengesetz, MarkenG¹¹³).¹¹⁴ The protection term for trademarks is ten years from registration as per section 47 (1) and section 33 (1) MarkenG but requires usage and can be extended thereafter.¹¹⁵ Section 4 point 2 MarkenG already states that the use of a sign in trade may be sufficient to achieve protection without registration if the sign has acquired public recognition as a trademark within the affected trade circles. Section 5 MarkenG defines commercial designations as company signs used in trade, such as a name, special designation of a business operation, or a title of work. Software as such is not protected by trademark rights. Using a trademark helps to identify and market the underlying software. A domain name itself can usually not be protected as a trademark. However, through the usage of such a domain name, it may be protected as a piece of work to distinguish the commercial designation of one competitor from another.¹¹⁶ Trademark rights, therefore provide additional legal protection during business when marketing software.¹¹⁷ Trademarks do often form part of the establishment and popularity of software-based internet platforms. The proprietor of a trademark may assign the rights from the trademark in the form of licenses to others (section 30 (1) MarkenG).¹¹⁸ Insofar trademark rights and copyrights have many similarities and can form part of a transfer agreement between business partners. A trademark license is like a software copyright license.¹¹⁹

c) *Antitrust and Competition Law (Unfair Competition, Antitrust Law)*

Compliance with antitrust and competition law is vital in a global world and international business. Monopolies and market domination shall be avoided to protect consumers. Individual clauses of license agreements may have the effect of limiting

¹¹³ Trade Mark Act.

¹¹⁴ Marly: Praxishandbuch Softwarerecht, p. 260.

¹¹⁵ Marly: Praxishandbuch Softwarerecht, p. 265.

¹¹⁶ Marly: Praxishandbuch Softwarerecht, p. 259.

¹¹⁷ Marly: Praxishandbuch Softwarerecht, p. 253.

¹¹⁸ Gergen: Mediation und Translation im Recht des Geistigen Eigentums, p. 74.

¹¹⁹ Tollen: The Tech Contracts Handbook, p. 154.

competition.¹²⁰ Therefore, the EU competition and antitrust law as well as other international agreements must be considered.

i. Unfair Competition

The importance of the Act on Unfair Competition (Gesetz gegen den unlauteren Wettbewerb, UWG¹²¹) about software diminished with the introduction of software-specific provisions in the Copyright Act in the 1990s. Until then, the Act of Unfair Competition was the main resort covering the legal protection of software. Now, the Copyright Act represents the primary source of protection for software rights.¹²² However, the Act of Unfair Competition may still govern certain aspects regarding the protection of competitors, consumers, and other market participants against unfair commercial practices. Unlike the Copyright Act, the purpose of the Act against Unfair Competition is per section 1 UWG to protect competitors, consumers, and other market participants against unfair commercial practices.¹²³ Unfair commercial practices are considered illegal (section 3 UWG). Unfairness is deemed to have occurred: firstly, where a person discredits or denigrates the distinguishing marks, goods, services, activities, or personal or business circumstances of a competitor; secondly: asserts or disseminates facts about the goods, services, or business of a competitor with such facts being suited to harming the business operations or the credit of the entrepreneur, to the extent that the facts are not demonstrably true; or thirdly: offers goods or services which are replicas of competitor's goods or service (section 4 UWG). Also, aggressive (section 4a UWG) or misleading (section 5 UWG) commercial practices are deemed unfair. The same applies to comparative advertising (section 6 UWG) and unacceptable nuisance (section 7 UWG). According to section 8 UWG, whoever engages in an illegal commercial practice can be sued for elimination and, in the event of the risk of recurrence, cease and desist. However, such claims only vest in any competitor that supplies or demands goods or services to a significant extent and not only occasionally. Also, claims for compensation for damages covered in section 9 UWG apply to competitors only. With the rights vesting in competitors, the Act of Unfair Competition does not apply directly to the parties involved in the B2B transaction of a software-based internet platform. For the B2B sale or exclusive licensing of a

¹²⁰ Taeger/Pohle: Computerrechts-Handbuch, see recital 136.

¹²¹ Act on Unfair Competition.

¹²² Marly: Praxishandbuch Softwarerecht, p. 237.

¹²³ Marly: Praxishandbuch Softwarerecht, p. 238.

software-based internet platform section 4 point 3 UWG must be considered. This could be the case if the software replicates a competitor's software and causes avoidable deception regarding its commercial origin, or if the knowledge and documents needed for the replica have been obtained dishonestly. The mere fact that a software substitutes, enhances, or works with an original would not be automatically regarded as a replica product and, therefore, unfair competition. Also, the fact that knowledge or documents have been obtained dishonestly has to be proven in a strongly substantiated way to be regarded as unfair. This is mainly the case when knowledge has been obtained legally within a contractual relationship and thereafter misused.¹²⁴ Illegally copying and selling a software would be regarded as a deliberate obstruction of competitors under section 4 point 4 UWG and be deemed as unfair.¹²⁵ The protection term for software under the Act of Unfair Competition can be assumed to be 20 years, similar to the term defined in section 16 (1) PatG.¹²⁶

ii. Antitrust Law

A mere national view on license agreements is relatively uncommon.¹²⁷ Especially for software-based internet platforms, an international context is to be assumed, which leads to the applicability of the EU antitrust law beyond the German Competition Act (Gesetz gegen Wettbewerbsbeschränkungen, GWB¹²⁸). European licensing law is part of the competition law of the EC Treaty¹²⁹, with the boundaries of contractual freedom defined in article 101 and article 102 of the Treaty on the Functioning of the European Union, TFEU (Vertrag über die Arbeitsweise der Europäischen Union, AEUV¹³⁰). The Treaty on the Functioning of the European Union was developed from the Treaty establishing the European Community (TEC) and entered into force on January 12th, 2009. In turn, it renamed the TEC the TFEU. The treaties aim to lay the foundation of a closer union among the peoples of Europe not only pursuing the original economic objective of creating a single market but also, bringing a more political and democratic dimension to European integration.¹³¹

¹²⁴ Marly: Praxishandbuch Softwarerecht, p. 245.

¹²⁵ Redeker: IT-Recht, p. 61.

¹²⁶ Marly: Praxishandbuch Softwarerecht, p. 247.

¹²⁷ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 145.

¹²⁸ Competition Act.

¹²⁹ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 15.

¹³⁰ Treaty on Functioning of the European Union.

¹³¹ EUR-Lex: Summary of Treaty on the Functioning of the European Union, p. 1.

Proper conduct of an evaluation is required to assess whether antitrust law is applicable. The principle of legal exception is to be applied through self-assessment.¹³² Small and medium-sized parties (<250 employees, annual turnover <40 Mio. €) with low market share (<10% amongst competitors, respectively <15% for non-competitors) shall not be regarded as possibly affecting competition within the Union and therefore excluded after application of the de-minimis notice of the European Commission.¹³³ All other parties must consider the TFEU. At the center of such assessment will be the 'safe harbor' regulations, e.g., in the form of the Block Exemption Regulation for Technology Transfer, TTBER (Technologie Transfer-Gruppenfreistellungsverordnung, TT-GVO¹³⁴).¹³⁵ TFEU, consisting of two main pillars in the form of article 101 and article 102 TFEU, will be put into consideration:

Article 101 TFEU (ex Article 81 TEC), first pillar:

The following shall be prohibited as incompatible with the internal market: all agreements between undertakings, decisions by associations of undertakings, and concerted practices that may affect trade between member states and which have as their object or effect the prevention, restriction, or distortion of competition within the internal market, and in particular those which: (a) directly or indirectly fix purchase or selling prices or any other trading conditions; (b) limit or control production, markets, technical development, or investment; (c) share markets or sources of supply; (d) apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage; and (e) make the conclusion of contracts subject to acceptance of supplementary obligations by the other parties which, by their nature or according to commercial usage, have no connection with the subject of such contracts. Any agreements or decisions prohibited under article 101 TFEU shall be automatically void unless the agreement contributes to improving the production or distribution of goods or to promoting technical or economic progress while allowing consumers a fair share of the resulting benefit. Article 101 TFEU may impose restrictions in exclusive agreements such as exclusive license agreements when markets are shared.

¹³² Pagenberg/Beier: Lizenzverträge / License Agreements, p. 59.

¹³³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 59.

¹³⁴ Block Exemption Regulation – Technology Transfer Agreements.

¹³⁵ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 57.

Article 102 TFEU (ex Article 82 TEC), second pillar:

Any abuse by one or more undertakings of a dominant position within the internal market or in a substantial part of it shall be prohibited as incompatible with the internal market if it may affect trade between member states. Such abuse may consist of: (a) directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions; b) limiting production, markets, or technical development to the prejudice of consumers; (c) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage; and (d) making the conclusion of contracts subject to acceptance of supplementary obligations by the other parties which, by their nature or according to commercial usage, have no connection with the subject of such contracts. Abuse of a dominant market position leads to a void agreement, and penalties may, in addition, be imposed by national courts and ultimately the European Court of Justice.¹³⁶ In our scenario, it shall be avoided to suggest selling prices to the contracting party. Also, if several parties are selected, it must be avoided that dissimilar conditions apply to the same context.

Block Exemption Regulation, Technology Transfer (TTBER):

Technology transfer mainly occurs with the help of license agreements.¹³⁷ According to the Block Exemption Regulation for Technology Transfer, TTBER in Regulation (EU) No 316/2014 of March 21st, 2014, and valid until 2026, article 101 (1) TFEU shall not apply to technology transfer agreements in case the technology transfer agreements contain restrictions of competition falling within the scope of article 101 (1) TFEU. A 'technology transfer agreement' is a technology rights licensing agreement entered between two undertakings for the production of contract products by the licensee and/or its sub-contractor(s). 'Technology right' means know-how and, *inter alia*, software copyrights or a combination thereof. With 'contract product' meaning a product produced, directly or indirectly, based on the licensed technology rights and the definition of 'product' including goods or a service, a software-based internet platform could be covered by TTBER.

Assuming the parties to the agreement are not competitors, the exemption applies on condition that the market share of each of the parties does not exceed 30% on the relevant market(s). With 'competing undertakings' meaning undertakings that

¹³⁶ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 37/38.

¹³⁷ Pfaff/Osterrieth: Lizenzverträge, p. 2.

compete on the relevant market and the fact that the licensor rather wants to withdraw from the market, it is a reasonable assumption that the parties will not be competitors. Otherwise, a threshold of 20% applies to competitors. 'Relevant product market' means the market for the contract products and their substitutes including all those products regarded as interchangeable or substitutable by the buyer, because of the products' characteristics, their prices, and their intended use. An initial assessment of the market positions and share of the relevant parties is required. The market share shall be calculated based on market sales value data. If market sales value data are unavailable, estimates based on other reliable market information, including market sales volumes, may be used to establish the market share of the undertaking concerned. Agreements are distinguished into horizontal agreements between competitors and vertical agreements between suppliers and customers depending on the level of the production or distribution chain. Hardcore restrictions for non-competing parties include: (a) the restriction of a party's ability to determine its prices when selling products to third parties, without prejudice to the possibility of imposing a maximum sale price or recommending a sale price, provided that it does not amount to a fixed or minimum sale price as a result of pressure from, or incentives offered by, any of the parties; (b) the restriction of the territory into which, or of the customers to whom, the licensee may passively sell the contract products, except: (i) the restriction of passive sales into an exclusive territory or to an exclusive customer group reserved for the licensor; (ii) the obligation to produce the contract products only for its own use provided that the licensee is not restricted in selling the contract products actively and passively as spare parts for its own products; (iii) the obligation to produce the contract products only for a particular customer, where the license was granted in order to create an alternative source of supply for that customer; (iv) the restriction of sales to end-users by a licensee operating at the wholesale level of trade; and (v) the restriction of sales to unauthorized distributors by the members of a selective distribution system.

For technology transfer agreements between non-competitors, it can be presumed that where the individual share of the relevant markets accounted for by each of the parties does not exceed 30%, and the agreements do not contain certain severely anti-competitive restrictions, they generally lead to improvement in production or distribution and allow consumers a fair share of the resulting benefits. Also, the definition of relevant market share is broad. For a recently introduced software-based internet platform achieving a relevant market share is very unlikely. There

can be no presumption that, above those market-share thresholds, technology transfer agreements fall within the scope of article 101 (1) TFEU. For instance, exclusive licensing agreements between non-competing undertakings often fall outside the scope of article 101 (1) TFEU. There can also be no presumption that, above those market-share thresholds, technology transfer agreements falling within the scope of article 101 (1) TFEU will not satisfy the conditions for exemption.¹³⁸

‘Exclusive license’ means a license under which the licensor itself is not permitted to produce based on the licensed technology rights and is not permitted to license the licensed technology rights to third parties, in general, for a particular use, or in a particular territory. So, even though we are considering an exclusive license agreement here, we may not be automatically subject to the prohibitions of the TFEU. Before entering into an agreement, it is vital to assess the relationship between the parties and put it into the overall context, e.g., through a review of market shares and the aims pursued. Such facts will have to be re-assessed every two years.

Block Exemption Regulation, Research & Development (R&DBER):

The planned sale or exclusive licensing of an in-house developed software-based internet platform is often referred to as ‘cooperation’. The reason is that the selling company is emotionally attached to the platform and looking for a partnership approach when divesting the platform. As per section 705 and section 706 BGB partners will mutually place each other under obligation to promote the achievement of a common purpose and contribute to such purpose. A ‘cooperation’ in the legal sense is defined as a joint undertaking, e.g., when it comes to research and development projects. Joint research and development are regarded as unobjectionable under European antitrust law. Only a limited portion of such agreements would fall under article 101 TFEU. In such a scenario the applicability of the Research & Development Block Exemption Regulation, R&DBER (Forschungs- und Entwicklung Gruppenfreistellungsverordnung, F&E-GVO¹³⁹) may be checked. The legal nature of a research agreement is not defined by statute in most countries and must be treated similarly to a license agreement, i.e., a contract of a unique nature. General rules apply to determine the extent to which the specific contract has features that

¹³⁸ Block Exemption Regulation- Technology Transfer Agreements, Sect. (11) and (13).

¹³⁹ Research & Development Block Exemption Regulation.

permit the analogous application of provisions in other contract types.¹⁴⁰ According to R&DBER in Regulation (EU) No 1217/2010 of December 14th, 2010, it is declared that article 101 (1) TFEU shall not apply to research and development agreements. 'Research and development agreement' means an agreement entered into between two or more parties which relate to the conditions under which those parties pursue: (i) joint research and development of contract products or contract technologies and joint exploitation of the results of that research and development; (ii) joint exploitation of the results of research and development of contract products or contract technologies jointly carried out pursuant to a prior agreement between the same parties; (iii) joint research and development of contract products or contract technologies excluding joint exploitation of the results; (iv) paid-for research and development of contract products or contract technologies and joint exploitation of the results of that research and development; (v) joint exploitation of the results of paid-for research and development of contract products or contract technologies pursuant to a prior agreement between the same parties; or (vi) paid-for research and development of contract products or contract technologies excluding joint exploitation of the results. With possible joint exploitation of the results but no prior joint research and development of the software-based internet platform, the undertaking would usually not qualify as cooperation in the sense of R&DBER. Anyhow, the EU Commission decided to discontinue the R&DBER in Regulation (EU) No 1217/2010 on June 30th, 2023, and has not substituted it yet with a new block exemption regulation for research and development agreements.

iii. Merger Regulation

The acquisition of equity stakes and companies or the foundation of joint ventures will have to be reviewed in light of formal and material merger controls to prevent concentration.¹⁴¹ Council Regulation (EC) No 139/2004 of January 20th, 2004, on the control of concentrations between undertakings, the EC Merger Regulation (EG-Fusionskontrollverordnung, FKVO¹⁴²), may apply, especially, if specific dimensions of turnover are exceeded. The given thresholds and dimensions are vital when considering a merger to initiate the required approval and allow for the time required during the approval period. Otherwise, fines may be imposed, the timeline

¹⁴⁰ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 571.

¹⁴¹ Kapp: Kartellrecht in der Unternehmenspraxis, p. 8/150.

¹⁴² EC Merger Regulation.

for a merger will be additionally stretched, or a merger may be denied in its entirety. According to article 1 (2) FKVO 'concentration' has an EU dimension where: (a) the combined aggregate worldwide turnover of all the undertakings concerned is more than 5,000 Mio. €, and (b) the aggregate EU-wide turnover of each of at least two of the undertakings concerned is more than 250 Mio. €. Moreover, article 1(3) FKVO provides that a concentration also has an EU dimension where: (a) the combined aggregate worldwide turnover of all the undertakings concerned is more than 2,500 Mio. €; (b) in each of at least three member states, the combined aggregate turnover of all the undertakings concerned is more than 100 Mio. €; (c) in each of at least three member states included for the purpose of point (b), the aggregate turnover of each of at least two of the undertakings concerned is more than 25 Mio. €; and (d) the aggregate EU-wide turnover of each of at least two of the undertakings concerned is more than 100 Mio. €. These dimensions apply unless each of the undertakings concerned achieves more than two-thirds of its aggregate EU-wide turnover within the same member state. In case the EC Merger Regulation thresholds are not exceeded one must still verify the thresholds and limitations provided by the national Competition Act for possible restrictions.¹⁴³ According to a *de-minimis* rule, companies with a turnover of less than 10 Mio. € do not underlie any restrictions when merging with another company.¹⁴⁴ If in an international cross border context between larger corporations, the thresholds are exceeded, the merger or acquisition is not automatically stopped but additional due diligence and processes must be adhered to. Concentrations within the scope of the EC Merger Regulation shall be appraised by their objectives and the following provisions to establish, whether or not, they are compatible with the common market. In making this appraisal according to article 2 FKVO, the European Commission shall consider the need to maintain and develop effective competition within the common market as well as the market position of the undertakings concerned. A concentration that would not significantly impede effective competition in the common market or a substantial part of it, due to the creation or strengthening of a dominant position, shall be declared compatible with the common market. As per article 3 FKVO, concentration arises where a change of control on a lasting basis results from the

¹⁴³ Kapp: Kartellrecht in der Unternehmenspraxis, p. 152.

¹⁴⁴ Kapp: Kartellrecht in der Unternehmenspraxis, p. 158.

merger of two or more previously independent undertakings or parts of undertakings, or the acquisition, by one or more persons already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings. During the creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity shall constitute a concentration. Mergers are generally distinguished by share or asset deals with the respective pros and cons.¹⁴⁵ The sale or exclusive licensing of a software-based internet platform would fall into the category of asset deals with assets in the form of intangible property being sold instead of selling shares of the company. Therefore, it could constitute a change of control on a lasting basis resulting from the acquisition, by one or more persons already controlling at least one undertaking, by purchase of assets, or by contract of direct or indirect control of the whole or parts of one or more other undertakings. In line with these considerations, the granting and transfer of licenses for intellectual property rights may confer control if the license concerned is of a long duration and exclusive, at least in a certain territory.¹⁴⁶ This could be the case in the given context. The 'undertakings concerned' and their status in the transaction must be identified upfront to calculate the turnover. In the case of an acquisition of sole control, the acquirer and the target are undertakings concerned.¹⁴⁷ The seller will not have to be considered when calculating the turnover of the concerned undertakings. Depending on the outcome, the European Commission may have to be informed prior to the implementation and following the conclusion of the agreement, the announcement of the public bid, or the acquisition of a controlling interest. The underlying processes and corresponding timelines are laid out in article 4 *et seq.* FKVO. The European Commission will have to inform the affected member states and review the merger in the light of the regulation prior to approval.

d) Data Protection (General Data Protection Regulation)

Mere data does not fall under copyright protection. Only once data has been stored in a database in the meaning of the Copy Right Act in the form of a collection of

¹⁴⁵ Lachmann: Mergers & Acquisitions: A Practical Global Guide, p. 190.

¹⁴⁶ Rosenthal/Thomas: European Merger Control, p. 27.

¹⁴⁷ Rosenthal/Thomas: European Merger Control, p. 56.

works, data, or other independent elements arranged systematically or methodically and individually accessible by electronic or other means and whose obtaining, verification or presentation requires a substantial qualitative or quantitative investment is the maker of the database protected. However, data being stored in databases of a software-based internet platform may be transferred between businesses under a license agreement. As such, the data protection laws must be considered, especially, when transitioning data from one host to another. The Directive (EU) 2016/679 became effective in May 2018 with the General Data Protection Regulation, GDPR (Datenschutz-Grundverordnung, DSGVO¹⁴⁸) laying down rules relating to the protection of natural persons about the processing of personal data. Personal data and sensitive data are protected to strengthen the data subject's rights.¹⁴⁹ With the regulation being a regulation opposed to a directive, the General Data Protection Regulation applies automatically to all EU nations.¹⁵⁰ In addition, the GDPR applies extraterritorially to all companies processing personal data of data subjects residing in the EU, regardless of the company's location. Any processing of personal data by controllers or processors in the EU is covered, regardless of whether the processing itself takes place in the EU.¹⁵¹ The General Data Protection Regulation applies to the processing of personal data wholly or partly by automated means and to the processing other than by automated means of personal data which form part of a filing system or are intended to form part of a filing system (article 2 GDPR) in the context of activities of an establishment of a controller or a processor in the Union, regardless of whether the processing itself takes place in the Union or not (article 3 GDPR). Automated processing of data is generally the main function of the filing system of a software-based internet platform and its underlying database. Article 4 GDPR defines 'personal data' as any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person. In case the software-based internet platform does not only process data but personal data, then a natural

¹⁴⁸ General Data Protection Regulation.

¹⁴⁹ Massey: The Ultimate GDPR Practitioner Guide, p. 9.

¹⁵⁰ Massey: The Ultimate GDPR Practitioner Guide, p. 9.

¹⁵¹ Massey: The Ultimate GDPR Practitioner Guide, p. 10.

person or the data subject has the following rights: right to be informed (articles 13 and 14 GDPR), right of access (article 15 GDPR), right to rectification (article 16 GDPR), right to erasure (article 17 GDPR), right to restriction of processing (article 18 GDPR), right to data portability (article 20 GDPR), right to object (article 21 GDPR), and rights about automated individual decision-making including profiling (article 22 GDPR).¹⁵² Six fundamental principles of the GDPR have to be adhered to by any person or organization controlling or processing personal data. These principles cover lawful and transparent processing, specified, explicit, and legitimate collection, adequate and relevant limitation to what is necessary, accuracy and keeping up to date, and retaining for only as long as necessary to secure processing of such data (article 5 GDPR).¹⁵³ As per art. 4 GDPR 'processing' means any operation or set of operations which is performed on personal data, whether or not by automated means, such as collection, recording, organization, structuring, storage, adaptation, alteration, retrieval, consultation, use, disclosure, dissemination, making available, alignment, combination, restriction, erasure, or destruction. The term 'processing' also includes evaluating certain personal aspects relating to a natural person to analyze or predict aspects concerning that natural person's performance at work, economic situation, health, personal preferences, interests, reliability, behavior, location, or movements. With the data being additionally stored in a database, the definition of 'filing system' as any structured set of personal data that are accessible according to specific criteria, whether centralized, decentralized, or dispersed on a functional or geographical basis, will have to be considered as per article 4 GDPR. The legal basis for the processing of personal data under the GDPR shall be, *inter alia*, where the data subject has given consent for one or more specific purposes, the processing is necessary for the performance of the contract that the data subject is party to, or the processing is necessary for compliance with legal obligations that the controller is subject to.¹⁵⁴ According to article 4 GDPR 'controller' means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of personal data. 'Processor' means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the controller. As such, the party operating the software-based internet platform

¹⁵² Massey: The Ultimate GDPR Practitioner Guide, p. 33.

¹⁵³ Massey: The Ultimate GDPR Practitioner Guide, p. 33.

¹⁵⁴ Massey: The Ultimate GDPR Practitioner Guide, p. 101.

would be considered a controller processing the personal data of the users on the internet platform stored in a filing system and would, therefore, be bound by the provisions of the GDPR. The controller is ultimately accountable for upholding the data subject's rights and will be required to ensure personal and sensitive data are processed securely, especially when using third-party processors.¹⁵⁵ Here, the owner of the software-based internet platform is the current controller. When handing over the responsibility and ownership to the business partner as a new controller, the GDPR must be considered. A controller-to-controller agreement is required to jointly manage a compliant transition and ensure ongoing compliance during the information life cycle consisting of transmission, collection, storage, manipulation, presentation, and destruction of data.¹⁵⁶ Non-compliance would result in penalties and most likely a severe loss of reputation.

e) Other Legal Areas (Tax, Insolvency)

Even though insolvency rights will not have to be considered at the early stage of entering into a license agreement, it is still vital to understand the potential impact of insolvency on one party to consider potential effects upfront. In contrast, tax law and activation of intangible goods in the balance sheet will always apply and should, therefore, be considered when looking for a commercial optimum.

i. Tax Law/Balance Sheet

Intangible goods and especially income or profit resulting from licensing are subject to taxes on several layers. The parties strive to shape the contract in accordance with their economic goals to achieve the desired arrangement.¹⁵⁷ Value-added tax applies on the turnover of transactions. Income and trade taxes are levied on the profit achieved by a company considering deductions like depreciation.¹⁵⁸ The form of activation in the balance sheet or payment terms, therefore, play a role in taxation.

Value-Added Tax (Umsatzsteuer):

The Value-Added Tax (VAT) is an indirect tax, meaning there is a difference between the person paying the tax to the authorities and the end-user that ultimately

¹⁵⁵ Massey: The Ultimate GDPR Practitioner Guide, p. 240.

¹⁵⁶ Massey: The Ultimate GDPR Practitioner Guide, p. 170.

¹⁵⁷ Pfaff/Osterrieth: Lizenzverträge, p. 9.

¹⁵⁸ Hassenpflug/Schwind/Melchior: Wirtschaftsrecht, p. 65/66.

bears the tax burden. VAT is levied on the net price of a product or service at each stage of the chain of economic value added. The seller charges VAT on its output and issues an invoice to the buyer that indicates the amount of tax charged. Buyers subject to VAT on their sales consider the tax on purchase invoices as input tax and can deduct this sum from their VAT liability. The difference between taxes received and paid is then owed to the government. VAT in Germany is currently 19% as per §12 (1) of VAT Act (Umsatzsteuergesetz, UStG¹⁵⁹). VAT applies to businesses according to §2 UStG not only in case of physical deliveries but also according to §3 (9) UStG in case of providing services or granting of usage rights, e.g., through licensing. Licensing of intangible property rights typically falls into this category of other activities.¹⁶⁰ Base for the determination of applicable VAT is the total purchase price or license fee according to §10 UStG.¹⁶¹ Value-added taxes apply on services provided against remuneration within one country or the acquisition within the EU.¹⁶²

Income Taxes and Corporate Income Taxes:

Any income resulting from software licensing, provision of other related services, or provision of databases may be subject to income taxes.¹⁶³ Individuals are subject to income taxes for certain listed sorts of income unlimitedly. Corporations, resident in Germany or achieving income according to §49 of the German Income Tax Act (Einkommenssteuergesetz, EStG¹⁶⁴), are subject to corporate income taxes.¹⁶⁵ Corporate income taxes are levied on the profits of corporations, such as, e.g., limited liability companies (GmbH) or stock corporations (AG). Corporation Tax (Körperschaftsteuer), is levied at a uniform rate of currently 15% on the profit plus a Solidarity Surcharge (SolS) of 5.5% on the Corporation Tax resulting in a total tax rate of 15.825% on the profit.¹⁶⁶ Depending on whether the corporation is limitedly or unlimitedly liable for taxes, all sorts of income worldwide will be considered.¹⁶⁷

¹⁵⁹ VAT Act.

¹⁶⁰ Oberfell/Hauck: Lizenzvertragsrecht, p. 334/335.

¹⁶¹ Oberfell/Hauck: Lizenzvertragsrecht, p. 338.

¹⁶² Hassenpflug/Schwind/Melchior: Wirtschaftsrecht, p. 61.

¹⁶³ Oberfell/Hauck: Lizenzvertragsrecht, p. 315.

¹⁶⁴ German Income Tax Act.

¹⁶⁵ Oberfell/Hauck: Lizenzvertragsrecht, p. 317.

¹⁶⁶ Augustin, Birgit: Corporate Tax in Germany: What You Need to Know Before You Start or Expand Your Business, Art. 1.3.1.

¹⁶⁷ Oberfell/Hauck: Lizenzvertragsrecht, p. 317.

Trade Taxes:

Opposed to income tax and corporate income tax, Trade Taxes (Gewerbesteuer) are connected to whether a business has been established within Germany. Trade Taxes are levied by local authorities on business income, with tax rates varying from municipality to municipality, ranging from around 7% to 21%. The applicable Trade Tax is calculated by multiplying the adjusted profit for corporate income tax purposes by a uniform tax base rate of 3.5% and then by the municipal tax rate (Hebesatz) as a multiplier (average 361%). The factors that affect the Trade Tax are profit, financing structure, location, and any applicable deductions or exemptions.¹⁶⁸

OECD Model Tax Convention on Income and Capital (Doppelbesteuerungsabkommen):

In case a company of one country conducts business in a different country, e.g., through a branch registered in such country, it must be avoided that taxes are due in the home country and in the country where the business is conducted. The OECD provided a Model Tax Convention on Income and Capital¹⁶⁹ in 2017. Such a model also includes income from licenses as defined in article 12 (2) of the OECD Model Tax Convention on Income and Capital. Bilateral agreements between the countries are required to avoid double taxation. It is to be distinguished between the country of source of the right and the country of residence.¹⁷⁰

Withholding Tax (Quellensteuer):

A Withholding Tax is a tax levied at the source in a country where such taxes originate, and which settles the tax position of the person affected by such tax who is not a resident of the country. As per article 50a (1) point 3 EStG taxes resulting from payments for the provisioning of usage rights may be subject to Withholding Tax. Withholding Taxes are deducted at source and paid directly by the obligor rather than by the recipient.¹⁷¹

¹⁶⁸ Augustin, Birgit: Corporate Tax in Germany: What You Need to Know Before You Start or Expand Your Business, Art. 1.4.2.

¹⁶⁹ OECD Model Tax Convention on Income and on Capital.

¹⁷⁰ Obergfell/Hauck: Lizenzvertragsrecht, p. 320.

¹⁷¹ Obergfell/Hauck: Lizenzvertragsrecht, p. 322.

Balance Sheet:

Software, patents, trademarks, know-how, and licenses are, *inter alia*, classified as intangible goods. Corporations can create or procure such intangible goods. In the balance sheet, all assets acquired must be activated at acquisition cost minus depreciation (section 253 (1) sentence 1 of the German Commercial Code (Handelsgesetzbuch, HGB)). In-house created intangible assets may be activated in the balance sheet as assets at the choice of the corporation (section 248 (2) sentence 1 HGB). Depending on the asset, different approaches of depreciation may be chosen as laid out in sections 253 (3) - (5) HGB.¹⁷²

ii. Insolvency

Even though it is early at this stage when starting to negotiate the sale or exclusive licensing of a software-based internet platform, it is still vital for both parties to understand what may happen and which options are available in case one of the parties goes bankrupt. Proceedings in insolvency over the licensor or licensee are governed by the Insolvency Code (Insolvenzordnung, InsO¹⁷³). Insolvency proceedings serve the collective satisfaction of a debtor's creditors by liquidating the debtor's assets and distributing the proceeds or by reaching an arrangement in an insolvency plan, particularly to maintain the enterprise (section 1 InsO). Apart from the fact that all debtors are considered equally (*par conditio creditorum*) during the financial settlement, the Insolvency Code shall also support a potential restructuring of the affected business.¹⁷⁴ Ultimately, the creditors' assembly decides whether the debtor's enterprise will be closed or temporarily continued (section 157 InsO). In case of a close-down, the insolvency proceedings will cover all the assets owned by the debtor on the date when the proceedings were opened and those acquired by the debtor during the proceedings (insolvency estate) according to section 35 (1) InsO. Such assets include intangible property.¹⁷⁵ Section 103 InsO governs if a mutual contract was or was not performed in full by the debtor and the other party on the date when the insolvency proceedings were opened. The insolvency administrator may choose to perform such a contract instead of the debtor and claim the other party's consideration. If the administrator decides to refuse to perform such a contract, the other party is entitled to its claims for non-performance only as an

¹⁷² Obergfell/Hauck: Lizenzvertragsrecht, p. 328/329.

¹⁷³ Insolvency Code.

¹⁷⁴ Obergfell/Hauck: Lizenzvertragsrecht, p. 185.

¹⁷⁵ Obergfell/Hauck: Lizenzvertragsrecht, p. 188.

insolvency creditor. If the other party requires the administrator to opt for performance or non-performance, the administrator must state his or her intention to claim performance without negligent delay. If the administrator does not give this statement, it is impossible to insist on performance. However, such an option only exists to the extent that no party has fulfilled its obligations entirely. With license agreements where, one party transfers usage rights and the other party is obliged to pay for such usage rights, it may be questionable whether section 103 InsO is applicable or whether the contract has already been fulfilled. The German Federal Court of Justice decided in 2015 that a license agreement is fulfilled in its entirety when both parties have provided their essential obligations, i.e., for the licensor to grant the license and for the licensee to pay for the license.¹⁷⁶

The following two scenarios must be considered: insolvency of the licensor and insolvency of the licensee.

Insolvency of Licensor:

Assuming the licensor and licensee have entered into a license agreement granting licensee usage rights, during which the licensor becomes insolvent. Such license has then been transferred to the licensee as the owner and would therefore be excluded from the insolvency proceedings of the licensor as per section 35 (1) InsO. The licensee will usually be interested in securing its investment and will continue using the license. The trust in the continuance of rights for the rightsholder must be protected.¹⁷⁷ This includes the licensee's obligation to make the required payments to the licensor. Alternatively, the licensee could opt for termination for a cause as defined in section 314 BGB.

On the other side, the liquidator of the licensor could refuse to perform the contract as per section 103 (2) InsO to suggest a termination of the agreement. Such termination cannot be enforced, even though a termination may benefit the liquidator. The only reason for termination of the liquidator would be if the licensee does not fulfill its obligation for payments anymore.¹⁷⁸ The licensee's rights would survive an insolvency of the licensor, protecting its investment and business plans.

¹⁷⁶ BGH, Decision, 21.10.2015, I ZR 173/14 (OLG Bremen) – Anforderungen an beiderseitige Erfüllung eines Lizenzvertrags – Ecosil, see recital 45.

¹⁷⁷ BGH, Decision, 19.07.2012, I ZR 70/10 (OLG Brandenburg) – Auswirkungen auf Unterlizenzen beim Erlöschen der Hauptlizenz - M2Trade, see recital 24.

¹⁷⁸ Obergfell/Hauck: Lizenzvertragsrecht, p. 201/202.

Insolvency of Licensee:

In case of the licensee's insolvency, the licensor is not the owner of the usage rights and, therefore, is not automatically entitled to any rights on the license.¹⁷⁹ However, maintaining the license agreement with an insolvent party may not be very favorable for the licensor. Therefore, the best option for the licensor in case of the licensee's insolvency may be the termination of the contract for compelling reason according to section 314 BGB.

The liquidator of the licensee has per section 103 InsO, the choice of whether or not to fulfill the license agreement supposed the license agreement is not terminated by the licensor. In that case, the liquidator has the choice to keep using its rights or transfer the rights to someone else. In any case, the licensee must pay for the corresponding license fees as one of its core obligations.¹⁸⁰ In case of the licensee's insolvency, the license and its associated rights may only be transferred with the author's consent according to section 34 UrhG. Ideally, such consent is given in advance as part of the corresponding license agreement. Ultimately, in case of the licensee's insolvency, the critical decision is whether the licensor wants to continue with the agreement. Only thereafter the licensee's liquidator can consider its options.

f) Requirement for Individual Agreements

There is an ongoing dispute into which category of contracts the transfer of software falls. The provision of standard software for an indefinite period in exchange for one-off compensation is usually regarded as a purchase agreement.¹⁸¹ Sometimes the transfer of software is seen as a lease agreement, if not left permanently. If additional work is required to tailor the software according to the customer's specifications, software provision may even be classified as a contract for a work. Depending on the agreement's specific content, the agreement may fall into the types of contracts governed by the German Civil Code, such as purchase agreement, lease agreement or works contract.¹⁸² However, some authors are referring to license or know-how agreements that do not fit into the classical types of contracts governed by the German Civil Code. Transfer agreements for software are also

¹⁷⁹ Obergfell/Hauck: Lizenzvertragsrecht, p. 205.

¹⁸⁰ Obergfell/Hauck: Lizenzvertragsrecht, p. 210.

¹⁸¹ Hoeren: IT-Vertragsrecht, p. 84.

¹⁸² Pres: Gestaltungsformen urheberrechtlicher Softwarelizenzverträge, p. 1.

often described as contracts *sui generis*¹⁸³ that are not specifically regulated by an individual law or do fall into the stereotype system of types of agreement as defined in the German Civil Code.¹⁸⁴ Instead, they combine elements of different contract types. The licensor's core obligation of providing software subject to copyrights does not lead to a specific type of contract. Each agreement for the transfer of software includes certain aspects that underlie copyright regulations. The sale or exclusive licensing of a software-based internet platform consists of different aspects. Since the transfer of software here is intended to be permanent, but in case of non-payment etc. within the transition period the rights could fall back to the licensor, it needs to be clarified whether the agreement constitutes a purchase or rather a temporary lease. The same applies to the question of whether the software has been individually developed as a work or is standard software that is purely sold as is. There are certain grey areas in which contract types of the German Civil Code are applicable. In many cases, purchasing over-the-counter software, contract concepts similar to sales agreements unquestionably prevail.¹⁸⁵ However, there is no transfer of property value from one person to another as in simple sales agreements. Instead, the seller provides the right of use, which is to be precisely defined in the agreement. The eternally disputed contractual typological classification remains to be explored.

A software license agreement may fall into the category of a purchase agreement, a lease agreement (depending on the term), a contract for work (individual vs. standard software), a contract for the procurement of services, or a license contract. The classification has an effect, *inter alia*, on acceptance, the due date for payments, and claims in the event of defects.¹⁸⁶ With the idea of permanently handing over the software-based internet platform as a readily developed and introduced system to a new owner, the agreement here will resemble and be assessed in many cases as a purchase terms agreement. The respective legal provisions of the German Civil Code will apply even though the agreement covers only intangible items. A key element of the transfer agreement will be the provision of software, e.g., for user access on front-ends, functionality provided at back-ends, or databases. All software required for the operation of the software-based internet platform must be

¹⁸³ Redeker: IT-Recht, p. 169/170.

¹⁸⁴ Obergfell/Hauck: Lizenzvertragsrecht, p. 3.

¹⁸⁵ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 751.

¹⁸⁶ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 753.

considered including any object or source code for the new owner to run the platform. Regardless of individual or standard software, usage rights must be granted.¹⁸⁷ Such rights do underlie copyrights and are granted in the form of a license. The term software license is very general. Different license types include agreements for beta testing, end-user license agreements, software development, and software-as-a-service.¹⁸⁸ In our scenario, the intended license falls into the category of end-user license agreements with the main difference being that the end-user here is not a consumer but a company. The scope of the license determines to which extent the licensee can exploit the license granted by the licensor. There are different aspects to be differentiated and documented in the license agreement: perpetual vs. non-perpetual, exclusive vs. non-exclusive, transferable vs. non-transferable, revocable vs. irrevocable, assignable vs. non-assignable, sublicensable vs. non-sublicensable, limited vs. unlimited, worldwide vs. limited to certain territories, at specific price vs. free of charge. The rights to be granted when selling or exclusively licensing an entire software-based internet platform will be very broad. Apart from transferring software, other aspects will also have to be considered. A trademark may protect the software-based internet platform. There is usually know-how imminent in the software, but may also form part of business cases, strategy papers, or other documents provided along with the software. User manuals do underlie copyrights. Data gathered in databases of the software-based internet platform will be subject to data protection laws. All these intangible assets may be part of a license granting respective usage rights to the new owner. Along with antitrust and competition laws, tax laws, and potential insolvency scenarios to be considered, there is a requirement for an individual agreement. License agreements are individual contracts *sui generis* and do not fall entirely into the system of types of agreement as defined in the German Civil Code.¹⁸⁹ When transferring usage rights between businesses, the corresponding license for a software-based internet platform should be covered by a separate agreement, which provides plenty of flexibility. The license agreement defines in which form and to what extent a licensor grants the licensee usage rights.¹⁹⁰ The purpose and scope of such a license agreement must be carefully described within the agreement. The freedom of contract

¹⁸⁷ Marly: Praxishandbuch Softwarerecht, p. 647.

¹⁸⁸ Young: Software Licensing Agreements, p. 15.

¹⁸⁹ Obergfell/Hauck: Lizenzvertragsrecht, p. 3.

¹⁹⁰ Plutte/Wolf: Lizenzvertrag: Rechtstipps und kostenlose Erstberatung, Sect. 1.

(Vertragsfreiheit) applies to all contracts *sui generis* for as long as they do not violate any statutory prohibition, mandatory law, or offend common decency as per section 138 BGB. There are no form requirements for license agreements. However, the German Federal Court of Justice ruled in 2013 that ‘no little requirements’ exist to prove the agreement’s closure.¹⁹¹ Meeting minutes, e.g., of a board meeting between chief executive officers could be regarded as sufficient proof. In 2015, the German Federal Court of Justice was more precise, stating that proof of an agreement in a B2B context can generally only be provided if a written document exists.¹⁹² The parties should only be bound by agreements in writing. Nothing should be regarded as agreed until everything has been agreed upon.¹⁹³ Consequently, thoroughly defined and negotiated individual contracts are required when intending to license intangible assets.

Considering all the above, an individually drafted license agreement provides plenty of freedom, opportunities, and flexibility to transfer and authorize the usage of intangible assets such as a software-based internet platform covering its specific aspects in a cross-border B2B context.

¹⁹¹ BGH, Decision, 27.03.2013, I ZR 93/12 (OLG Karlsruhe) – Schutz des Unternehmenskennzeichens nur bei Verwechslungsgefahr – Baumann, see recital 51.

¹⁹² BGH, Decision, 21.10.2015, I ZR 173/14 (OLG Bremen) – Anforderungen an beiderseitige Erfüllung eines Lizenzvertrags – Ecosil, see governing principle 1.

¹⁹³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 159.

III. Options for Future Success, Process of Divestment and Valuation of In-house Developed Software-Based Internet Platforms

Before entering the sale or exclusive licensing, the seller must pose the question of how to proceed with its in-house developed software-based internet platform. As size matters, sooner or later, a company arrives at the crossroads where they must decide between growing by investing further into development, marketing, and acquiring other companies, sharing by bringing new complementary partners on board, or transferring the in-house developed solution to others.

a) Targets of Seller and Buyer

Investing further into the platform has the benefit for the owner of the software-based internet platform of staying independent but it requires cash-out, often in an area that is not considered the core business. In addition, the platform remains linked to the original corporation and is not regarded as independent, thereby not attracting new customers. An additional investment is a commitment for a longer period. Having another partner join, e.g., through joint venturing, helps reduce the financial burden of growth and provides an opportunity for bringing on board a complementary partner with fitting competence. However, the efforts and required decisions (e.g., percentage of shares, majority stake, staffing of the management board) and approvals of realizing a joint venture are not to be neglected. To keep such a long-term commitment going forward can be time-consuming until the joint venture is well established and prospering. After debating the pros and cons of all options, often the decision matures that the initial developer's goals are best met through sale or exclusive licensing. The goal can be achieved relatively quickly, leading to immediate cash-in, reducing risks and responsibilities, and providing an opportunity for the platform itself. When finding an independent and well-chosen, new business partner, ties can be loosened, providing new opportunities for the platform's growth. Sale or exclusive licensing often provides the best opportunities for all involved parties. Future success and further development of the platform then depend on the new partner, which is why the selection of such a partner should be carefully planned. To a considerable extent, the seller can influence the prospects of the platform, e.g., in the form of special arrangements in the license agreement, paving the way for a prosperous future.

The targets of the licensor and the goals of the licensee usually differ. It is in the interest of both parties to understand each other's positions to find and document

the common ground in an agreement. When the target achievement for both parties is maximized, a win-win agreement can be concluded. This is the baseline for a successful deal, a lasting relationship between the parties, and great prospects for the platform. The most crucial target for a licensor is to protect its investment and maximize the return on investment by achieving a high sales price. The initial investment consists of know-how, planning and programming efforts, cost for external software developers over a longer period, hosting, marketing efforts, etc. The achieved market position and competitive advantage will have to be paid for. The one-off price is essential. However, in case the internet platform remains successful, the licensor also wants to participate in such success in the long run. Having developed the software-based internet platform from scratch and brought it to market, the selling party tends to be emotionally attached to the solution and wants to ensure lasting success. With the software-based internet platform being tailored to the seller's needs, the seller is often interested in further usage of the platform and enhancing its functionality to its benefit as a key user. Therefore, the seller tends to be interested in ensuring that the software is competitive and successful going forward. On the one hand, one wants to achieve a high market price that exceeds the investment to date. On the other hand, it is equally important to pick a buyer with the financial strength, vision, and capabilities to enhance the software, increase the number of end-users, invest in marketing, and endeavor new markets.

For the buyer, the price must be reasonable, fit into the allocated budget, and allow room to maneuver. The buyer wants to ensure that the ownership of the title transfers as quickly as possible, granting the new owner the freedom to move forward. Intellectual property rights on software or trademarks but also know-how of the previous owner shall be relayed as quickly and smoothly as possible. However, still being able to pick the brains of the previous developer and ensuring long-term know-how transfer from an industry specialist could also be a target of the buyer. For existing platform users, such transfer from one party to the other shall be seamless and swift.

Both parties usually want to conclude the deal quickly. The seller wants to eliminate responsibilities and the buyer is interested in avoiding competition and being able to move ahead. Even though timelines for the transition are usually challenging, both parties still share the common goal of applying due diligence and agreeing on a clearly understood, compliant, and legally sound contract to avoid later surprises or future disputes.

b) *Solution Based on Common Interests of Buyer and Seller*

The standard approach often is that the seller tries to find a partner or wants to enter cooperation initially. The downside to this approach is usually the hurdles posed by meeting required timelines, establishing the legal form, and internal approvals, e.g., on board level, required, or adhering to competition laws. Looking at the underlying targets of the selling corporation, they want to avoid entering a joint venture or similar. Instead, the seller is interested to sell or license the software-based internet platform thereby getting rid of obligations, while still maintaining a small form of control over its fortune. An entire sale may consist of just the asset of the software-based internet platform or even the whole corresponding business organization. Mergers or the acquisition of control are divided into equity or asset deals. Assuming it is not in the interest of the selling party to sell equity stakes in its company, only the asset in the form of the software-based internet platform shall be sold. A sale of such an asset in the form of a transfer of full rights by granting an exclusive license may be the best option. By exclusively licensing the software-based internet platform, the disadvantages of an entire sale of a business segment (timelines, competition law, transfer of employees, etc.) can be avoided. Initially, the enterprise remains the software owner and has certain levers through a licensing agreement that can help achieve its targets and ensure long-term success. This approach is prevalent and usually preferred due to its flexibility over the complete transition of rights for economic exploitation.¹⁹⁴ In addition, the licensor benefits from the economic success of the software-based internet platform through license fees, e.g., linked to turnover. Furthermore, the licensee enhances the competitiveness of the platform by investing in rollout and marketing. Finally, the licensor still contributes to the platform's success as a key user with in-depth industry background and know-how. To meet in the middle between the interests of the buyer and the seller, licensing for a certain period before the ultimate transition of full rights to the licensee may be the preferred solution.

¹⁹⁴ Obergfell/Hauck: Lizenzvertragsrecht, p. 3.

c) Levers

The following levers are to be negotiated to meet both party's targets:

- 1) Scope of License
- 2) Commercial:
 - a) Fixed License Fee
 - b) Variable Success Contribution
 - c) Investment by Buyer (marketing, rollout, enhanced development, etc.)
 - d) Support by Seller (key user, knowledge transfer, etc.)
- 3) Term (period and payment schedule)

With these levers, negotiating the agreement terms comes down to a rather commercial discussion. The contractual framework developed within this thesis may be used and distributed to the bidders upfront. Based on the potential buyer's feedback, the seller can re-adjust the terms until an optimum for both parties is found. Ultimately, meeting the goals of the buyer and seller will be achieved during the negotiation process. Once each party is clear on its target, and the base work in the form of defining legal terms and describing the subject matter has been made, the negotiation will focus on the levers identified. Such **levers are highlighted** in the developed agreement attached in Annex III ('B2B License Agreement') to define them upfront or leave them as blanks for the bidding process. In both cases, the licensor should have defined its expectations before starting the bidding process. The executive summary document in Annex II ('Management Summary, Checklist') may be used as a checklist and help define minimum and maximum expectations for negotiating these levers and other contractual topics.

i. Scope of License (*Article 3.1 of B2B License Agreement in Annex III¹⁹⁵*):

The scope of the license determines to which extent the licensee can exploit the license granted by the licensor. A license is determined by perpetuity, exclusivity, transferability, revocability, assignability, sublicensability, limitations, covered territories, and the corresponding fees.

¹⁹⁵ Annex III: B2B License Agreement, Art. 3.1, p. 7.

Perpetual/Non-Perpetual

A perpetual license is permanent in the sense that the licensee has ongoing rights granted by the licensor unless the licensee violates the terms or conditions. In contrast to the perpetual license, a non-perpetual license is time-limited instead of permanent.¹⁹⁶ In our example we are targeting a perpetual license to eliminate responsibilities or obligations unless the licensee is in breach.

Exclusive/Non-Exclusive

A license can be exclusive in the sense that the licensor grants the license rights to one licensee only. In general, most licenses are non-exclusive.¹⁹⁷ However, the value to the licensee and, therefore, also the revenue generated is higher when granting exclusive licenses. Having just one licensee reduces efforts for the administration of the rights transferred.

Transferable/Non-Transferable

A transferable license can be transferred to a third party by the licensee. Upon transfer, the third party assumes all rights and responsibilities as the new licensee and the transferring party no longer has usage rights. In contrast, a non-transferable license cannot be transferred by the licensee to any other third party.¹⁹⁸ In practice, the licensor will try to avoid such transfer of a license unless certain conditions are met (e.g. sale of whole business or transfer to controlled company and affiliated enterprises as per sect. 15 of the Stock Corporation Act (Aktiengesetz, AktG¹⁹⁹) and the licensor has agreed to such transfer in writing.

Irrevocable/ Revocable

Licenses are in general revocable. Even perpetual licenses have provisions for termination because of misconduct by the licensee. Provisions for termination, e.g., in the case of non-payment, misconduct, or material breach of the agreement should be agreed upon.²⁰⁰

¹⁹⁶ Young: Software Licensing Agreements, p. 8.

¹⁹⁷ Young: Software Licensing Agreements, p. 10.

¹⁹⁸ Young: Software Licensing Agreements, p. 11.

¹⁹⁹ Stock Corporation Act.

²⁰⁰ Young: Software Licensing Agreements, p. 9.

Assignable/Non-Assignable

An assignable license is similar to a transferable license. The licensee may assign some or all rights and responsibilities under the license agreement to a third party (assignee), however, the license still exists between the licensor and the licensee. In such cases, the licensee is still responsible to the licensor for complying with the license.²⁰¹ This also applies if the assignee violates the terms or conditions of the license.

Sublicensable/Non-Sublicensable

A sublicensable license permits the licensee to issue a new license to a third party (sublicensee) for some or all rights and responsibilities obtained under the original license. In such case, there would be two licenses, one between licensor and licensee and one between licensee and sublicensee.²⁰² Similar to a transferable or assignable license this usually requires written approval from the licensor and is not in line with the targets to be achieved in this example. Therefore, sublicensing should be excluded from the agreement.

Limited to certain user groups/industries/ Unlimited

The license granted may be limited to applications for certain user groups or in specified industries only. This way the license can be granted to different licensees that are each specialist in different industries, e.g., one in aviation and one in automotive.

Worldwide/Limited to certain territories

Licenses can be limited to use in certain territories only. If not specified, the license is usually valid worldwide.

Fee/free of charge

A license can be free of charge or at a certain license fee. Here, the license shall be granted in exchange for a one-off or ongoing license fee to be specified to maximize the return on investment.

For each of the different parameters of such license scope, the licensee and licensor have different interests. The target scenario for the licensing of a software-

²⁰¹ Young: Software Licensing Agreements, p. 12.

²⁰² Young: Software Licensing Agreements, p. 13.

based internet platform is identified in the table below. The desired compromise is highlighted in green to see which party's interests prevail in the target solution. In the end, the scope will determine the sales price to be achieved.

	Outcome typically desired by licensor	Outcome typically desired by licensee	Target
<i>Perpetuality</i>	Non-perpetual	Perpetual	Perpetual
<i>Exclusivity</i>	Non-exclusive	Exclusive	Exclusive
<i>Transferability</i>	Non-Transferable	Transferable	Non-Transferable
<i>Revocability</i>	Revocable	Irrevocable	Revocable
<i>Assignability</i>	Non-Assignable	Assignable	Non-Assignable
<i>Sublicensing</i>	Non-Sublicensable	Sublicensable	Non-Sublicensable
<i>Limitations</i>	Limited	Unlimited	Limited
<i>Territory</i>	Certain Territories	Worldwide	Worldwide
<i>Fee</i>	License Fee	Free of charge	Fee

According to the German Federal Court of Justice, a license is either perpetual in exchange for paying a one-off fee or timely limited as a fixed term license.²⁰³ Without limiting the agreement and assignment of rights to a specific term, the license granted will be perpetual. In general, most licenses are non-exclusive.²⁰⁴ However, this applies mainly to standard software for consumers that usually grants non-exclusive, non-transferable, non-assignable, and minimal usage rights. Here, we are negotiating the transfer of an entire, in-house developed, and very specialized software tool to generate business revenues. One must bear in mind that the value to the licensee and, therefore, also the revenue generated granting an exclusive license will be higher. While it may be in the interest of the licensor to limit exclusivity, exclusivity also eases administration efforts of the licensor as all responsibility is put in one hand without potential overlaps. As exclusivity also increases the value for the licensee, it should be in the interest of the licensor to license exclusively if this is justified by the price paid by the licensee. Assigning several non-exclusive

²⁰³ BGH, Decision, 17.07.2013, I ZR 129/08 (OLG München) – Zulässigkeit des Vertriebs gebrauchter Softwarelizenzen – UsedSoft II, see recital 61.

²⁰⁴ Young: Software Licensing Agreements, p. 10.

licenses is an opportunity in case the commercial discussions do not work out with one licensee as expected. For the first round of negotiations, a maximum demand in the form of asking for the license to be non-transferable, revocable, non-assignable, and non-sublicensable should be pursued thereby limiting the risks for the licensor. In a later round of negotiations, the stance of the licensor on some points may be softened, e.g., by allowing the transfer to the licensee's subsidiaries. If this is intended, it should be thoroughly explained and included in the agreement unambiguously. Regarding limitations, it is wise to limit at least the use and exploitation rights to align with the software-base-internet platform's described purpose. This way, it can prevent the platform from being developed in an unwanted direction, e.g., from aviation to the building industry. The licensee usually desires worldwide usage rights. However, licensors may want to consider splitting rights between several parties targeting different regions or countries. For the initial approach, granting one worldwide license may ease administration and avoid conflicts or potential overlaps. The suggested starting point would be negotiating an exclusive and worldwide license with one licensee unless the overall commercial optimum or other strategic considerations can only be reached by breaking down the license into different regions. A license can be free of charge or at a certain license fee. As we are aiming to maximize the return on investment in this case, the license shall be granted in exchange for a one-off or ongoing license fee, which will be specified. This leads us to the next lever: commercials.

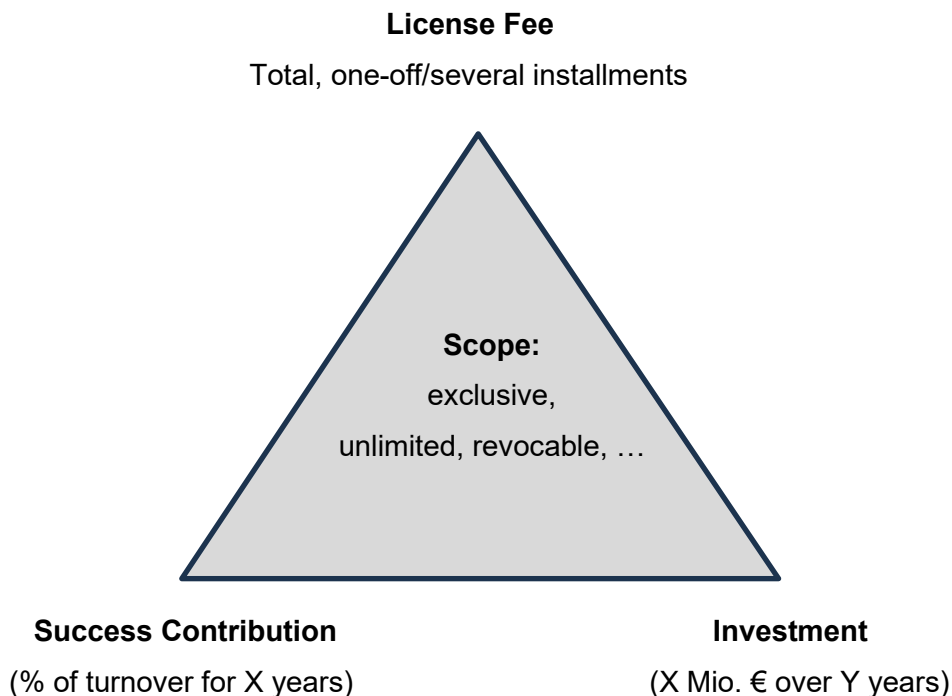
ii. Commercials

Once the scope of the license has been determined, a price tag can be attached. Fee types for licenses are variable. This is one of many advantages of licensing over simply selling the software-based internet platform. The licensing fees can be based on various models, such as:

- 1) fixed fee: a one-time payment for the use of IP, sometimes spread over several installments for a certain period
- 2) royalties: a percentage-based payment on the sales, profit, or revenue generated by the licensee's use of the IP

- 3) a combination of fixed fee and royalties: some cases involve an initial lump-sum payment followed by ongoing royalty-based fees as the product continues to generate revenue²⁰⁵

There are many options for licensors to benefit from the future success of the software-based internet platform. In general, tying a success contribution to profit can be dangerous as it is possible for licensees to hide parts of the profit and not be fully transparent. Linking success contribution to turnover is far more unambiguous and easier to control for licensors. Overall, gambling on future success is risky and ultimately not within the area of control by the licensor. If just linked to success, it is vital to include a paragraph in the license agreement that ensures actual usage. Otherwise, the licensee might not keep using the licensed usage rights if too much effort is required, thereby saving license fees. Therefore, a fixed portion of the license fee is always favorable. Combined with an ongoing success contribution, it mitigates risks for licensors while still allowing them to benefit from growth and success. Altogether, there are three commercial aspects to be considered that form a decision triangle (see figure below) to find the commercial optimum between license fee, ongoing success contribution, and investment into the platform to ensure future success:



²⁰⁵ Vestil: What Are Licensing Fees And Why Do You Need To Pay Them?, Art. 2.

The figure shows the levers to finding common ground between the licensee and licensor during the negotiation once the scope of the license has been defined and agreed upon. This way, e.g., not achieving a high one-off license fee can be compensated by a reasonable success contribution along with a bigger investment in the future of the platform.

License Fee (Article 7.1.1 of B2B License Agreement in Annex III²⁰⁶):

The license fee determines the one-off price to be achieved. To delay the complete transfer of title linked to the payment of the license fee, it is advisable to stretch the payment of the license fee over several installments for some years. Ultimately, the total price achieved counts. From a controlling point of view, this implies, of course, some discount in capitalizing future liabilities, which will have to be considered when doing the math.

Success Contribution (Article 7.1.2 of B2B License Agreement in Annex III²⁰⁷):

Selling the software-based internet platform is a bet on the future. The seller expects a bright future for the platform, while the buyer is probably somewhat more cautious when doing its calculation. Since nobody can predict the future, but the seller does not want to miss out or have sold too cheaply in case of later success, a contribution in percent based, e.g., on achieved turnover with the software-based internet platform, can be agreed upon. This mitigates financial risks and immediate cash out for the licensee. It also frees up cash flow for the licensee to invest in the platform if in turn the fixed license fee is reduced. Ultimately, it is much easier to agree on sharing in case of success. If both parties believe in the success and are interested in a profitable solution, adding a variable success contribution helps to increase the resulting sales price.

Investment (Article 6 of B2B License Agreement in Annex III²⁰⁸):

To secure the future of the software-based internet platform, it is advisable to define the obligations of the licensee that will contribute to its success. Investments in marketing campaigns, rollout plans for new industries or additional territories, enhancement of the software-based internet platform by introducing new features, growth of the licensee's company, etc., may be defined upfront. To avoid disputes

²⁰⁶ Annex III: B2B License Agreement, Art. 7.1.1, p. 11.

²⁰⁷ Annex III: B2B License Agreement, Art. 7.1.2, p. 11.

²⁰⁸ Annex III: B2B License Agreement, Art. 6, p. 10.

later, each of these activities shall be clearly described with a timeframe for realization and the corresponding investment to be made by the licensee. This commitment to investment should also be taken into consideration for commercial decisions.

Support by Licensor (Article 5.4 of B2B License Agreement in Annex III²⁰⁹):

Defining the support from the licensor usually starts with a certain amount of training days and the provision of documentation as well as manuals for the software-based internet platform. Also, the transfer of existing users and corresponding personal data will require some support from the licensor to the licensee. All these activities will create efforts on the licensor side, e.g., translation of documentation in additional languages or an extensive amount of training days at the licensee's facility. When looking at the commercial aspects, the required contribution by the licensor has a price tag assigned, which must be deducted from the overall fees received. It is usually in the interest of the licensee to learn from the licensor's development know-how and market or industry expertise. In addition to remaining a key user of the software-based internet platform, the licensor may offer further chargeable services for an extended period. The testing of new features to be introduced by the licensee, consulting on new market opportunities, providing references to new customers, or contributing to user platforms may be considered. When clearly described in scope, this provides an opportunity for additional income generation besides the license fee. While the license fee can be paid as a one-off, this kind of support could be linked to the duration of providing such support, contributing to the success of the software-based internet platform. This way, the licensor benefits from the prosperous future of the platform while shaping such a future through its efforts. During the negotiation period, a smaller license fee may be accompanied by a higher success contribution for support services provided.

iii. Term (Article 7.1 of B2B License Agreement in Annex III²¹⁰):

Besides actual values and percentages to be included in the agreement, the last factor to be considered is time. The payment schedule must be agreed upon, and the term for the transfer of the title or the success contribution will have to be de-

²⁰⁹ Annex III: B2B License Agreement, Art. 5.4, p. 9.

²¹⁰ Annex III: B2B License Agreement, Art. 7.1, p. 11.

fined. The longer this transition takes, and the more annual installments are required, the better from a licensor's perspective because it postpones the transfer of title.

d) *Bidding Process/Selection*

The process for entering into an exclusive license agreement is very generic. Before starting the bidding process, all software, source code, documentation, etc., must be prepared and readily available along with the latest business information like turnover, number of users, business plan, etc. In the next step, the expectations and targets of the licensor when bringing the platform to market shall be documented. Prior to starting the tender and bidding process, a market analysis is recommended. The outcome should be a shortlist of potential bidders who may be interested and fit into the seller's framework. All such parties may be engaged upfront. This helps identify the point of contact in the other organization to send the request for proposal and personalize it. These parties then receive an invitation to participate in the tender along with a Non-Disclosure Agreement (NDA) to be signed and returned. A confidentiality agreement for the protection of confidential information is required for business discussions, pre-contract negotiations, or evaluation of a product and is usually free of charge.²¹¹ The basic principle of any NDA is to treat information received by another party as confidential, not to disclose it to third parties without prior written consent, and to use it solely for the agreed purpose.²¹² This shall apply unless such information was already in the possession of the receiving party, has become common knowledge, is publicly available, has been developed independently, or has been lawfully received from another source. At this point, the reference to publicly available confidentiality agreements must suffice. However, it is strongly recommended to include liquidated damages in case of breach since provision of evidence of damage can be difficult.²¹³ Once parties are interested in participating in the bid and have returned the executed NDA, additional information in the form of the complete tender package will be shared. This package includes a description of the software, business model, marketing information, timelines for response and bidding process, a questionnaire for the bidders, and most

²¹¹ Christou: Drafting Commercial Agreements, p. 545.

²¹² Christou: Drafting Commercial Agreements, p. 600.

²¹³ Thurn/Wiegand: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, Vertraulichkeitsvereinbarung – Non-Disclosure Agreement, see recital 17.

importantly, a draft version of the desired license agreement. Sending out the agreement draft as included in Annex II ('B2B License Agreement') and asking for consent when placing the bids helps speed up the whole process and shortens legal negotiations at a later stage. For this to be achieved, the license agreement must be prepared upfront. Based on the desired outcome for the license agreement, blanks shall be left for the individual bidders to fill in. This approach requires more time in the preparation phase, but it avoids pitfalls and surprises at the end when finalizing agreements. The blanks to be filled in vary from license scope, license fees, variable success contribution, to other areas of commitment like future investments or markets to be addressed. This reflects the levers identified. With the bids all being returned in the same format, the commercial aspects of the license agreement can be easily compared. This also helps with renegotiating the commercial aspects in the next bidding rounds.

Decision Matrix (Annex I 'Decision Matrix'):

Once all bids are received, it is necessary to check for comprehensiveness and start their comparison. A decision matrix, as added to Annex I ('Decision Matrix'), will help identify the best candidate and document the decision process. In the best case, the commercials of all bidders are easily comparable after several rounds of negotiations. However, the ultimate decision must be prepared based on soft and hard facts about the bidders, company, financial strength, participation in the bidding process, as well as the business plan and strategy for the upcoming years. The format of a decision matrix in Annex I ('Decision Matrix') may be used as an initial idea, but the criteria to be rated must be defined and weighed individually depending on the actual circumstances. Four blocks of criteria with different sub-criteria can assist in such a decision process. The first block describes the bidding company along sub-criteria like last annual turnover, profit, financial strength, number of employees, location, team, background, experience, and references. The second block of criteria may be put down as 'bidding process/offer/legal' and described by criteria like form of bid and completeness, schedule met, responsiveness during bidding process and negotiations, desire to work with, and if drafted agreement legally accepted. The third block summarizes the commercial part, including topics like one-off payments, ongoing payments, and investments planned, but also highlights the support required by the licensor. Last, but not least the fourth block

of criteria focuses on the vision and prospects for the software-based internet platform. Criteria could be the business plan, growth plans based on additional roll-out to new regions or targeting further industries, and product enhancements like new features. It must be clearly defined upfront, what the seller's expectations are. An elementary award of credits for in the form of: not fulfilled equals '0', below expectation equals '1', meeting the expectation equals '2', and exceeding the expectations equals '3' can be sufficient to distinguish the bids and highlight areas of differences. All primary and sub-criteria need to be weighed. Practical experience shows that a simple approach and equal balancing are sufficient and help already to identify differences in individual bids to choose the best fitting business partner. If required and specific criteria are of higher importance than others, the weight factor of single criteria can be adjusted, for as long as the total weight across all criteria remains 100%. The mathematical outcome of the decision matrix results will then help identify the top bidders. This provides the seller with a clear focus during the negotiation phase. The highest total value will define the best bidder to fit the framework of expectations set out. The commercial aspects often end up on the same level after several rounds of negotiations. Therefore, a solid decision is required based on soft and hard facts to choose the best fitting business partner. The decision matrix also helps as a checklist during the negotiation with the bidders and provides valuable documentation and argumentation when having to explain unsuccessful bids. To make this subjective valuation of the potential business partners and their bids more objective, several team members can be involved in the evaluation. Since sales teams usually consist of different roles, e.g., sales, legal, finance, and business experts, it is advisable to involve all these roles with slightly different focuses and expertise in the evaluation. The valuation then reflects the assessment of all team members equally and demonstrates a joint decision by the sales team.

Executive Summary (Annex II 'Management Summary, Checklist')

Finally, once all criteria above have been negotiated and the future business partner has been chosen, the final agreement will have to be prepared and signed by all contractual parties. In practice, it has proven beneficial to document and communicate the achieved result. Ultimately, the whole agreement will only be read by very few. However, it is required for many to understand the aspects and obligations of the agreement prior to signature and in the course of fulfillment. Therefore, an

executive summary described in Annex II ('Management Summary, Checklist') should be prepared and distributed. This may already be used as a checklist while finalizing the agreement. The first part of such a summary gives an overview of the business partner, name, legal form, address, website, number of employees, turnover, references, and a brief company description. The second part of the executive summary provides an overview of the agreement, type of agreement, contract volume, start date, and the negotiation process along with the targets set out initially. It highlights the market environment and competition, summarizes the negotiation strategy, and lists the negotiation team and business divisions involved during the negotiations. The third part of the executive summary documents the target achievement in light of the market environment mentioned above and the targets set out. This first page of the executive summary is intended to provide a short and straightforward overview of the business partner, agreement, targets, approach of negotiation, commercial aspects, and target achievement with contract closure, explaining why the given business partner has been chosen and what the benefits are when signing the agreement. The following part of the executive summary then provides a more detailed insight into the agreement itself based on critical areas and aspects as defined within the agreement. This part can be used as a checklist regarding the comprehensiveness of all legal aspects and rights or obligations by showing the target solution, allowed deviation, and comparing this to the achieved solution for each topic. The levers are specially highlighted due to their overall importance. The target achievement per aspect may be summarized in the form of a simple colored smiley (😊 target achieved, 😊 minor changes negotiated and agreed, 😞 significant deviation from target, critical). By adding a column for the description of minimal expectations to be covered for each single aspect, the document can also be used during the negotiation of the agreement. This way, the focus will always be kept, and no boundaries be exceeded. Besides the target achievement and describing possible deviations, the corresponding article number in the agreement is also provided so that specialists can have a closer look at relevant aspects without going through the whole agreement. The aim is to provide individuals with different backgrounds with a quick overview of the deal and the details they will have to know when transitioning the agreement into the new agreed business context.

e) Valuation

The software-based-internet platform must be evaluated prior to sale. In order to get a rough idea of the desired price that can be achieved, several aspects have to be considered. The software's value to the buyer consists mainly of quick time to market, saved development efforts, and an established and operational platform to be taken over. The time advantage of the seller over competitors already gathering users and customers as well as establishing a market position and reputation has created certain value. A comparison with prices achieved with the sales of similar solutions in other business areas may help with an initial price assessment. For the seller, the first and most important aspect is the investment that has already taken place (i.e., staff cost, development cost, marketing efforts, etc.). Usually, the book value in the balance sheet sets the minimum expectations to not accumulate losses with the sale of the software-based internet platform. As a general rule of thumb, the sales price to be achieved should be approximately three to ten times the profit of the last business year. During crises like Covid or for start-ups that are still about to develop their full market potential, assumptions and profit expectations must also be considered. In such cases, a lower fixed price with a higher variable option depending on future success may help minimize risks for buyer and seller. The best price is usually achieved through an auction with several bidders bidding for the object in parallel. To be in a position to quickly compare the different bids, all bidders have to work based on the same assumptions. This is best achieved when providing an agreement draft upfront, which is well considered, and in the best case, only the blank spaces for the numbers must be filled out by each bidder.

An essential factor for the valuation is future distribution rights being granted. This starts already when developing the software. Section 69b UrhG is *lex specialis* over section 43 UrhG excluding an employee executing his or her duties when creating a computer program or following the instructions of his or her employer from exercising any economic rights in the computer program. For external consultants or freelancers, section 69b UrhG is not applicable. Therefore, an individual agreement on usage rights for the software developed by such individuals is required for them to provide the source code along with the corresponding usage rights to the purchaser. Approval or agreement for each externally created software is required for purchasers when integrating such software into their own software so that freedom to utilize and exploit is granted. Once the original or copies of the work have been put into circulation by sale with the consent of the person entitled to distribute them,

their dissemination is permitted, according to section 17 (2) UrhG. The European Court of Justice has also extended this general rule to software.²¹⁴ Usage rights per section 77 and section 78 UrhG are according to section 79 (1) UrhG fully transferable. In contrast, the personality rights of the artist cannot be transferred as per section 74f UrhG.²¹⁵ Very few special laws address the fundamental principle of exhaustion. One of the few laws is the Copyright Act.²¹⁶ The principle of exhaustion as per section 17 (2) UrhG above consists especially for software of the balance between originator and owner. The re-sale of 'used' software is insofar not restricted if it is consistent with the contractually allowed scope in case of licensing.²¹⁷ Therefore, software can be regarded as an asset with its respective value and sold.

²¹⁴ European Court of Justice (EuGH), Judgment, 03.07.2012, Case C-128/11 UsedSoft, see recital 72.

²¹⁵ Obergfell/Hauck: Lizenzvertragsrecht, p. 39.

²¹⁶ Obergfell/Hauck: Lizenzvertragsrecht, p. 97.

²¹⁷ Obergfell/Hauck: Lizenzvertragsrecht, p. 101.

IV. Development of a B2B License Agreement (Annex III ‘B2B License Agreement’)

We sign contracts because good fences make good neighbors. The best way to avoid arguments in a business relationship is to write down the parties' mutual expectations and agreed rules as boundary markers ahead of time.²¹⁸ To develop a contract suitable for the B2B transfer of an in-house developed, specialized, and tailored software-based internet platform, it is possible to adopt bits and pieces from publicly available license agreement templates. There are many templates for the development of software license agreements available in literature or on the internet for different license types, such as software beta testing, software evaluation, end-user license, resale license, software as a service, or software development.²¹⁹ For our purposes, end-user license agreements are most suitable for the transfer of a software-based internet platform. However, these templates tend to address mainly consumers using standard off-the-shelf software for a given period. The agreement developed within this thesis for the transfer of a software-based internet platform is based on a publicly available template for software license agreements from the legal database Beck, as documented in Annex IV ('Template Software License Agreement'). The main reason for using this template as a baseline, besides the good structure, was that it is available in English but based on German law. The template is broadly used within the innovation community, for example, by InnovationLab GmbH.²²⁰ According to the license agreement description, it constitutes a standard purchase agreement for licensors, who grant usage rights in a B2B context. It may be used for the provision of standard as well as individualized software for usage by licensees.²²¹ It, therefore, provides a valuable foundation for the development of the required transfer agreement in the given context. However, certain aspects will have to be reviewed and adjusted in the light of an exclusive B2B transaction of a whole software-based internet platform tailored to individual requirements and highly specialized. Opposed to simple usage rights in an end-user software license, licensees may also want to alter the source code or have additional rights assigned to enhance the software-based internet platform going forward depending on the actual circumstances. Besides rights addressing software,

²¹⁸ Tollen: The Tech Contracts Handbook, p. xviii.

²¹⁹ Young: Software Licensing Agreements, p. 15.

²²⁰ InnovationLab GmbH: Agreement.

²²¹ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, see recital 2.

the transfer of know-how, data, and trademarks must be covered by the new agreement. Recommendations based on literature and jurisdiction as well as experience have influence on the agreement development. On top of that, publicly available existing B2B agreements and general terms and conditions of large corporations may be used as references, e.g., for the further addition of compliance regulations or no agency clauses that are common in a B2B context. Once the framework for the new agreement has been drafted and adjusted to the given context through individualization, the levers and options for the negotiation must be prepared. These levers are highlighted in red. Some other optional additions to the agreement are suggested in light grey. The developed license agreement transferring a software-based internet platform in the given B2B context can be found in Annex III ('B2B License Agreement').

In practice, it has proven beneficial to split an agreement into three sections. This structure shall ease reading and assist in covering all required subjects in a proper order. The first section consists of general articles stretching from the preamble over definitions to the contracting parties and outlining the desired agreement's scope. The second section defines the commercial terms, including fees and payment plans or conditions. The third section covers all legal aspects required in a B2B context, including the signature page at the end. This way, a comprehensive and legally reliable agreement can be developed. The levers for target achievement of buyer and seller as well as optional additions are highlighted. All non-legal business details, such as the description of the software-based internet platform, the purpose of use, new features or agreed rollout plans to be addressed, as well as system requirements, etc., can be covered in the corresponding attachments.

a) General - Section I

i. Title Page

The title page should look neat and professional in the first place. Placing the logos of both parties on the title page helps to individualize the agreement. Since larger corporations usually have many different agreements in place and on file, a contract reference should be assigned and added to the front page. This way, the agreement can be identified unambiguously. The agreement's name shall help manage the expectations concerning the content of the agreement. Here, 'License Agreement'

would be a good description for the transfer of IP rights on a software-based internet platform. Just using a different title does not change the nature or content of the agreement itself. For example, putting 'Memorandum of Understanding' as a title on the front page does not turn the document into a memorandum of understanding if the agreement contains a software license. The contract type depends on the obligations covered by the agreement.²²²

ii. Parties

Naming both parties with full name and formal address on the cover page is required to identify the contracting parties unambiguously, especially if several similar agreements exist. The agreements can then be distinguished by looking at the front page. Having listed the parties here with full name, legal form, address, and country, one may also start introducing an abbreviation in order not to have to repeat the full name every time within the agreement. In addition to using abbreviations, the parties can also be introduced upfront capitalized as 'Licensor' for the party that provides rights to the other party and 'Licensee' for the party that will benefit from the assignment of the rights.

iii. Table of Contents

The table of contents provides a brief overview of the headlines and lists the corresponding page number where it can be found within the agreement. It is usually generated automatically and updated at the last action after finishing the agreement before proceeding for signature.

iv. Preamble

It has proven beneficial to begin any agreement with a preamble or so-called 'whereas clauses'.²²³ The preamble does not form part of the agreement in a legal sense but will help to provide the common reader with helpful background information by putting the agreement into an overall perspective. The preamble may be used for the contractual interpretation if required.²²⁴ A preamble is best structured, introducing the parties and their individual business first. If existing, the mutual history of the parties consisting, e.g., of a former business relationship or already existing agreements between the parties could be outlined. Emphasis should then be

²²² BGH, Decision, 10.03.1983, VII ZR 302/82 (Frankfurt a.M.) - Keine Anwendung des Abzahlungsgesetzes auf typischen Fertighausvertrag, see recital 2.

²²³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 181.

²²⁴ Obergfell/Hauck: Lizenzvertragsrecht, p. 156.

on the licensed product, its purpose, and when and how it was developed and brought to market. This shall lead to a description of why the licensor wants to license the software-based internet platform to somebody else and what kind of rights the licensor intends to grant. The intended future relationship between the parties could be described next. This stretches from how the licensee shall use and develop the platform to the support provided by the licensor going forward. Overall, the parties, their relationship, and the intent of the agreement shall be briefly described in a non-legal manner to put the legal phrases to follow into the proper context.

v. *Definitions and Abbreviations (Article 1)*

The actual agreement usually starts with: 'Therefore, the Parties have agreed:'. The definitions and abbreviations are the first articles that fall under the actual agreement. Focus should be on the defined terms used recurrently throughout the agreement in capitalized terms. Using capitalized and defined terms eases reading and avoids repetitions. It also provides a common ground and mutual understanding of key terms. Useful definitions can be found in literature or on the internet and should be discussed between the parties and adjusted if necessary to create a joint understanding.

Valuable definitions for a license agreement transferring IP rights on a software-based internet platform between businesses are:

Affiliate: Legal entity owned by one of the Parties, directly or indirectly controlled, for which purpose control means either ownership of more than fifty percent (50%) of the voting rights and/or share capital.²²⁵

Agreement: This License Agreement, including any side letters, attachments, exhibits, and annexes hereto, including all amendments and supplements to this Agreement as agreed in writing between the Parties.

Calendar Day: Calendar Day is a subset of Day, relating to any Day of the week, month, or year.

Calendar Year: One year period beginning on January 1st and ending on December 31st of any year.

Data: All information collected by Licensed Product and stored in related databases.

²²⁵ Lufthansa Technik AG: Standard Terms and Conditions for Aircraft Engineering and Consultancy Services, Art. 1.

Day: Calendar Day

Know-how: Information in relation to Licensed Product, including, but not limited to any business, technical, and strategic data.

Licensed Product: Object Code, Source Code, Data, Know-how, trademark and the documentation of the software-based internet platform as described in Attachment 1 ('Licensed Product').

Object Code: A version of software that a computer can read, sometimes also called 'machine-readable code'. Object Code is contrasted with Source Code.²²⁶

Party/Parties: Licensee (YZ) or Licensor (XY) / Licensee (YZ) and Licensor (XY) collectively.

Source Code: The version of software that a human programmer can read. The original version of most software is written by a human. The source code gets 'compiled' or translated into Object Code.²²⁷

The definition of time periods is especially helpful to avoid misunderstanding, e.g., when it comes to calculation of fees or payment terms. The definitions may also be used to introduce terms and link them to more detailed descriptions of individual subjects in referenced attachments. In the case of software licensing, it is paramount to distinguish between the defined source and object code. Usually, only the machine-readable object code is made available, which is sufficient to run a software program. However, in this case, the new owner will also require access to the source code to maintain or enhance the software program. Other definitions may be added if used throughout the agreement.

vi. Scope of this Agreement (Article 2)

The scope of the agreement describes briefly that the licensor will grant the licensee a license to use and exploit the software-based internet platform to the terms and conditions described in the agreement. This is the key to the agreement as it describes one of the core responsibilities of the licensor. The parties have a broad spectrum of flexibility as per law, so the scope should be clearly and unambiguously

²²⁶ Tollen: Cloud Computing Agreements, Software Licenses, and Other IT Contracts for Lawyers and Businesspeople, p. 271.

²²⁷ Tollen: Cloud Computing Agreements, Software Licenses, and Other IT Contracts for Lawyers and Businesspeople, p. 271.

put down.²²⁸ Ultimately, the scope as defined in the agreement will be put into consideration when it comes to disputes on the reach of rights assigned.²²⁹ The software-based internet platform will be described in all detail in Attachment 1 ('Licensed Product')²³⁰. The wording proposed in the Template Software License Agreement (Annex IV) addresses this very well. In contrast to an end-user license agreement that usually is limited to the object code, the scope of the agreement here covers source code, object code, data, know-how, trademark, and documentation related to the software-based internet platform described as the licensed product. Everything shall be included for the licensee to operate and run the software-based internet platform independently. The scope must be clearly defined to protect both parties from surprises due to interpretations in the case of section 31 (5) UrhG, according to which the scope is determined per the purpose envisaged if it is not specifically designated when a right of use was granted.

vii. Grant of Rights (Article 3)

The licensor will grant certain rights to the licensee that must be laid out. This determines to which extent the licensee can exploit the rights granted by the licensor. There are different aspects to be differentiated and documented in the license agreement. The structure for this article proposed in the Template Software License Agreement (Annex IV) is helpful but requires some adjustments for the given context. The extent of rights granted within the license must be defined by the following aspects: perpetuity, exclusivity, transferability, revocability, assignability, sublicensability, as well as limitations concerning usage, time, or territory.²³¹ All these aspects must be considered thoroughly when licensing a software-based internet platform. Opposed to end-user license agreements that are in general non-exclusive and somewhat restricted, it is, in this case, usually in the interest of the licensee to receive worldwide, unlimited, and exclusive rights. In contrast, the licensor's main concern is for the license to be non-transferable, revocable, non-assignable, and non-sublicensable to maintain control over the software-based internet platform. These are the key aspects that must be defined in this article. The right to use and exploit for licensee is limited to the purpose of the software-based internet platform

²²⁸ Obergfell/Hauck: Lizenzvertragsrecht, p. 103.

²²⁹ BGH, Decision, 17.07.2013, I ZR 129/08 (OLG München) – Zulässigkeit des Vertriebs gebrauchter Softwarelizenzen – UsedSoft II, see recital 68.

²³⁰ Annex III: B2B License Agreement, Attachment 1: Licensed Product, p. 28.

²³¹ Annex III: B2B License Agreement, Art. 3.1, p. 7.

described in Attachment 2 ('Purpose of Use')²³². Guardrails in the form of limiting usage and exploitation as well as defined changes to the scope (e.g., new features to be developed) or market development should be described in more detail in the corresponding attachment. This way, the main body of the agreement remains slim and focused on legal terms, while the software description or future enhancements can be described in more detail in the respective attachment, still forming part of the agreement.

Copyrights should also be covered within this article, including rights granted for decompilation. The right for one backup copy of the software is granted to the licensee within section 69d UrhG. In contrast to end-user license agreements, the licensee in this context must be enabled to copy the software-based internet platform for hosting purposes into its own data center or store it by using a cloud service. Most importantly, the licensor must grant the licensee the right to make the software publicly available for access of its customers. The rights for decompilation are granted as per section 69d UrhG deviating from the general denial to alter works as in section 23 and section 39 UrhG and cannot be limited. From the fact that the licensee receives the source code and respective documentation, it can also be assumed that the licensee has been granted rights to change the software in line with the described scope in Attachment 2 ('Purpose of Use').²³³ It should be expressly defined that no more extensive rights for use and exploitation will be granted, making this a comprehensive final list. For the licensor to control or monitor compliance by the licensee, audit rights should be included and manifested later within the agreement.

viii. Delivery and Installation of the Licensed Product (Article 4)

The suggestion in the Template Software License Agreement (Annex IV) with respect to this article can be used almost one-for-one with just minor adjustments since we are not just merely addressing copies of software. The handover procedure for the software-based internet platform needs to be defined in a way that equals the definition of incoterms applicable to physical items. The handover consists of a transfer of software in machine-readable form via electronic data transfer or physical storage media. The place of performance needs to be specified. The respective cost for the transfer needs to be reflected. System requirements for the

²³² Annex III: B2B License Agreement, Attachment 2: Purpose of Use, p. 29.

²³³ Marly: Praxishandbuch Softwarerecht, p. 715.

licensee to run and operate the software-based internet platform should be defined. This can be done in a non-legal way by adding the technical conditions to a new attachment²³⁴. In case of breach and non-payment by the licensee, the return of the software-based internet platform shall be described. The licensee will be obliged to destroy all copies to prevent further unauthorized usage. Therefore, the licensee should inform the licensor in writing of installations and copies made. The installation itself remains the responsibility of the licensee.

ix. Support provided by Licensor (Article 5)

Given the broader context and impact of exclusive licensing in a B2B context, additional support topics should be introduced into the agreement that one would not find in template end-user software license agreements and, therefore, do not form part of the Template Software License Agreement (Annex IV). Usually, it is helpful to provide initial training to the licensee on the software-based internet platform's features and operation. The scope and place of such training should be clearly described. Also, the documentation going along with the software-based internet platform or user manuals shall be provided in a clearly described format and timeframe. The language for the documentation and training should be agreed upon, especially in an international cross-border context. The English language can be considered as a standard. Documentation and training form part of the primary obligations to be provided by the licensor.²³⁵ Delivery of the software is only completed with the handover of the corresponding manuals.²³⁶ The type of agreement does not change, even if further additional support activities such as training of users, installation of the software, consultancy, etc., are added to the scope.²³⁷ Support by the licensor for the migration of data and transfer of existing users on the software-based internet platform will also be required. The obligations of both parties should be clearly defined in the light of applicable data protection regulations. The introduction of a so-called 'controller-to-controller agreement' for the

²³⁴ Annex III: B2B License Agreement, Attachment 3: System Requirements, p. 30.

²³⁵ BGH, Decision, 20.02.2001, X ZR 9/99 (OLG Düsseldorf) – Der Anspruch des Bestellers einer individuell auf seine Bedürfnisse zugeschnittenen Software auf Lieferung einer zum Betrieb der Software erforderlichen Dokumentation wird grundsätzlich erst mit dem Abschluss der Arbeiten an dem Programm fällig, see recital 2a.

²³⁶ BGH, Decision, 14.07.1993, VIII ZR 147/92 (Koblenz) – Wandlung von Soft- und Hardwarevertrag, see recital 3.

²³⁷ Marly: Praxishandbuch Softwarerecht, p. 288.

transfer of personal data is recommended. The EU holds different model contractual clauses for such an agreement available. Agreement on process and responsibilities should be documented and added as a separate attachment (Attachment 4: 'Controller-to-Controller Transfer of Personal Data'²³⁸) to the contract. The underlying process for such a transfer of personal data needs to be clearly described and laid out.

Defining further support activities by the licensor and listing them in the agreement opens opportunities for ongoing payments besides the license fee.²³⁹ For example, the licensor, as an ongoing key user of the software-based internet platform and specialist in the industry, may test new features of the software-based internet platform prior to release. This could provide valuable know-how and feedback to the licensee. Even after the license has been fully paid off and the title has been transferred to the licensee, this article could survive the initial period of time referenced if not terminated by one party. Alternatively, the agreement may be extended or adjusted at a later stage by an amendment to the agreement if it is working out for both parties. This way the licensor may benefit from the success of the platform for an even longer period than the defined minimum term initially planned and calculated.

x. Licensee's obligations (Article 6)

This article provides an opportunity in addition to the Template Software License Agreement (Annex IV) defining the obligations of the licensee beyond normal usage to specify planned opportunities in the form of new markets to be targeted, new features that may be introduced into the software-based internet platform, as well as sales and marketing activities to be conducted.²⁴⁰ All such activities shall be clearly defined and may be specified more precisely in non-legal terms, e.g., in Attachment 2 ('Purpose of Use'), or another attachment to be introduced. Timelines for the execution and precise amounts of investment can be documented in this article or the respective attachment. If a fixed amount of such investment cannot be agreed upon or the licensee is hesitant to agree on such amounts, the parties may as well settle on at least 'reasonable efforts' to be provided. This article can also define the licensee's obligation concerning the trademark being used. In the

²³⁸ Annex III: B2B License Agreement, Attachment 4: Controller-to-Controller Transfer of Personal Data, p. 31.

²³⁹ Annex III: B2B License Agreement, Art. 5.4, p. 9.

²⁴⁰ Annex III: B2B License Agreement, Art. 6, p. 10.

given example, the trademark was not registered. The licensee is allowed to continue using it. However, depending on the regions or countries to be targeted going forward, the licensee may want or must register the trademark. Domain names cannot form part of a license, so it is advisable to indicate that the licensee will have to provide a new domain name for access to the software-based internet platform when hosting the platform in a new environment, making it accessible for users through the web.

b) Commercial - Section II

This section documents the financial aspects of the agreement. The commercial section of the Template Software License Agreement (Annex IV) will have to be extended and adjusted to exploit the total commercial potential. The license fee must be reviewed, a calculation example should be added, and a back-license to the licensor should be included. All amounts stated exclude value-added tax. Value-added taxes must be listed separately in the invoice according to section 15 (1) UStG. Many end-user license agreements for standard software are free of charge. In this case, emphasis should be given to the commercial aspects for the licensor to achieve a return on investment and benefit from long-term success. License fees are applied in two directions:

Firstly, the compensation for the software-based internet platform to be paid by the licensee to the licensor must be defined.²⁴¹ Paying the license fee is one of the core responsibilities of the licensee. This can be done by agreeing on a one-off license fee to be paid in total at one given point in time. However, splitting the license fee over several installments of several years is recommended. Even though it may be in the interest of the licensor to achieve a return on investment as quickly as possible, this approach helps extend the period of the agreement as the title and all usage rights usually will be transferred to the licensee after the last payment. The annual amount does not have to be spread evenly. Depending on the negotiations and interests of the licensor, a higher amount can be agreed upon for the first installment, decreasing over the years or *vice versa*. What counts in the end is the total value achieved. Even if the payment of the purchase price is extended over several years, the agreement still falls into the category of purchase agreement as

²⁴¹ Annex III: B2B License Agreement, Art. 7.1.1, p. 11.

opposed to a lease.²⁴² In addition to the fixed license fee, it is recommended to include a variable, recurring fee linked to the success or turnover of the software-based internet platform.²⁴³ This ongoing fee may be in exchange for the support provided by the licensor to the licensee and can, therefore, extend even beyond the period agreed for the license fee. Besides defining such support in more detail, the calculation, calculation process, and payment should be laid out thoroughly. In the best case, this is underlined by a calculation example to avoid any doubt or later disputes.

Secondly, the licensor will also be interested in continuing to use the software-based internet platform as a user benefitting from the in-house developed solution and would, therefore, also be subject to license fees. The fact that the licensor receives a perpetual, non-exclusive, transferable, irrevocable, assignable (at least to affiliates), worldwide, unlimited, and most importantly free-of-charge back-license from the licensee should be determined.²⁴⁴ Similar to the license granted to the licensee, all aspects of the back-license should be carefully reviewed in the given business context before being agreed upon. For example, there may be a requirement to sublicense the software-based internet platform to affiliated companies.

c) Legal - Section III

The third section covers all legal terms required in a B2B context. Many of these articles are specific to a B2B context and, therefore, not part of the Template Software License Agreement (Annex IV), with very few exceptions. The required articles to be added can be found in literature or other publicly available B2B contracts, e.g. in general terms and conditions of larger corporations.

i. Title (Article 8)

It is vital to define exactly when the title to the software-based internet platform transfers to the licensee. The transfer is generally linked to the full payment of all license fees agreed upon. Until then, the licensed product shall remain in the sole ownership of the licensor. Since it is in the interest of the licensor to maintain the title as long as possible, it is advisable to maximize the extent of the payment schedule as opposed to a one-time payment for the licensor to maintain rights in

²⁴² Redeker: IT-Recht, p. 171.

²⁴³ Annex III: B2B License Agreement, Art. 7.1.2, p. 11.

²⁴⁴ Annex III: B2B License Agreement, Art. 7.2, p. 12.

case of breach. With the full payment of the license fee, the license agreement equals a purchase agreement and the title transfers to the licensee. The German Federal Court of Justice decided in 2012 that usage rights fall back to the licensor after the license agreement's termination unless agreed upon differently.²⁴⁵ Therefore, it is crucial to define the timestamp from when the title transfers to the licensee providing the licensee with the freedom to operate.

ii. Rights in Case of Defects (Article 9)

The purchaser of a software is entitled to a software without defects. Depending on the circumstances, the purchaser's rights include rectification, return of the software or price reduction.²⁴⁶ Within a B2B context, a complete exclusion of rights in case of defects is not possible in line with section 309 point 8b) BGB.²⁴⁷ Rights in case of defects depend on the type of software. Individually designed software, upon request by and under the specification of a customer, would fall under the regulations of section 633 *et seq.* BGB as a contract to produce a work.²⁴⁸ With the software here not being developed individually for a customer, the software of the software-based internet platform would instead be described as standard software. This results in the agreement falling into the category of purchase agreements and section 433 *et seq.* BGB do apply in case of defects. At the moment of handover, the software-based internet platform has to be in the form and condition described during the tender process and then manifested within the agreement. The District Court of Pforzheim decided back in 1987 that in case the source code is owed, the software is deemed to be defective if the source code cannot be used due to a lack of comments and documentation.²⁴⁹ It is commonly accepted that software cannot be developed without any defects given the complexity of software. However, this does not result in a recommendation to insert a clause adjusting the rights in case of defects to be excluded entirely.²⁵⁰ It can be excluded to have any updates or upgrades provided by the licensor after handover. The same applies to minor defects or software bugs that should be excluded from rights in case of any defects to

²⁴⁵ BGH, Decision, 19.07.2012, I ZR 70/10 (OLG Brandenburg) – Auswirkungen auf Unterlizenzen beim Erlöschen der Hauptlizenz - M2Trade, see recital 19.

²⁴⁶ Hoeren: IT-Recht, p. 100.

²⁴⁷ Marly: Praxishandbuch Softwarerecht, p. 762.

²⁴⁸ Taeger/Pohle: Computerrechts-Handbuch, see recital 123.

²⁴⁹ AG Pforzheim, Decision, 07.07.1987, 3C 540786 – Werkvertrag, Gewährleistung, see governing principle 1.

²⁵⁰ Marly: Praxishandbuch Softwarerecht, p. 609/610.

avoid disputes on irrelevant topics. However, if defects are present in the software-based internet platform already at the moment of handover, then it should be clearly defined which rights the licensee has. Licensee's rights are governed by section 439 (1) BGB, but in the case of B2B agreements, it can be deviated from such regulations due to section 475 (1) BGB.²⁵¹ The contractually agreed nature in case of purchase is the baseline according to section 434 (1) sentence 1 BGB. If not clarified expressly, section 434 (1) sentence 2 BGB comes into effect applying suitability for contractual purposes as a baseline.²⁵² It is recommended to give a choice between improvement and replacement at the licensor's decision. Only if the defect is not cured by the licensor within a reasonable period of time and after allowing a reasonable number of attempts, should the licensee be allowed to reduce the price, claim damages, or withdraw from the agreement. To prove timelines and the defect itself, notification about defects must be in writing, providing a comprehensive description of the defect including evidence. For licensors, it is advisable to limit rights in case of defects to a certain period to avoid any potential surprises after handover. It can be assumed that everything that is not detected within the first twelve months after handover will not constitute a defect in the given context. Shortening such a period to twelve months is possible in a B2B context.²⁵³ The German Federal Court of Justice ruled in a different context that usage refers to being used instead of being subject to wear and tear.²⁵⁴ Software is not subject to wear and tear but may have been used prior to selling. The software subject to this agreement has been used previously. A limitation of twelve months is therefore possible for used software.²⁵⁵ This goes along with the expectation for the licensee to inspect the software-based internet platform promptly after delivery. The software is deemed to be delivered once it comes into the sphere of control of the buyer so that it can be investigated for defects.²⁵⁶ As per section 377 (1) HGB the buyer is to inspect the

²⁵¹ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, see recital 21.

²⁵² Marly: Praxishandbuch Softwarerecht, p. 611.

²⁵³ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, see recital 24.

²⁵⁴ BGH, Decision, 15.11.2006, VIII ZR 3/06 (OLG Schleswig) – Verjährungsverkürzungs-AGB in der Tierauktion - Beschaffensvereinbarung „gebraucht“ im Verbraucherverkehr, see recital 12.

²⁵⁵ Marly: Praxishandbuch Softwarerecht, p. 761.

²⁵⁶ BGH, Decision, 22.12.1999, VIII ZR 299/98 (LG Berlin) – Abnahme und Mängelrüge bei Standard-Software, see recital 2aa).

goods promptly after delivery by the seller, insofar as this is practicable in the ordinary course of business and is to notify the seller without undue delay if a defect becomes apparent. Undue delay depends on the nature of the product and may differ between software and instruction manual.²⁵⁷ Claims for damages should be limited. Differences between the drafted agreement and end-user license agreements exist due to the fact that here, a one-off transfer of the software-based internet platform takes place. No updates, new releases or ongoing support will be provided by the licensor. The rights in case of defects are well covered by the Template Software License Agreement (Annex IV). Only minor adjustments are required.

iii. Rights in Case of Defects in Title (Article 10)

The software-based internet platform provided by the licensor to the licensee should be free from third-party rights. Suppose the licensee is facing any third-party claims substantiating any such rights. In that case, the licensee must inform the licensor in writing to put him in the position to defend himself against such third-party claims with reasonable efforts. In a B2B context, it is recommended to specify who is taking over the defense and cost against such third-party claims. Cost can be split depending on whether the claim applies to a part of the software delivered by the licensor or adapted by the licensee after handover. If any third-party rights are infringed by the licensor, it must be agreed between the parties on how to handle the situation. Standard options are the acquisition of the required third-party rights or changing the software-based internet platform in a manner that it does not infringe any such rights anymore. It also must be defined who bears the underlying cost for each of those scenarios. The limitations regarding time and cap of the damage provided for rights in defects shall also apply in case of defects in title. Rights in case of defects in title are addressed by the corresponding provision of the Template Software License Agreement (Annex IV). It is advisable to soften the licensor's obligations slightly.

iv. Liabilities/Damages (Article 11)

Applicable statutory laws govern liabilities if one party injures the other. Limitation of liability is common and appears in almost all software contracts (also included in

²⁵⁷ Marly: Praxishandbuch Softwarerecht, p. 799.

the Template Software License Agreement (Annex IV)). A limitation protects vendors and distributors, but sometimes it protects customers, too.²⁵⁸ Often, the courts won't enforce limitation of liability clauses if they think the customer did not understand the importance. That's why the limitation of liabilities clause usually stands out, printed in capital letters.²⁵⁹ Section 444 BGB about the exclusion of liabilities must be considered in a B2B context. A complete exclusion of liabilities from the agreement is not possible.²⁶⁰ However, the licensor should limit liability to intentional or grossly negligent conduct only. Other liabilities cannot be excluded as section 309 point. 7b) BGB via section 307 BGB also must be considered in a B2B context.²⁶¹

In the event of product liability related to the software-based internet platform, liabilities are governed by the German Product Liability Act (Produkthaftungsgesetz, ProdHG²⁶²). Applicability of the Product Liability Act on standard software is *opinio communis*. For individually developed software it is arguable whether the Product Liability Act applies.²⁶³ The Act on Liability for Defective Products applies per section 1 ProdHG to defects in a product causing a person's death, injury to his or her body, or damage. Damage to an item would only be considered for properties other than the defective product, intended for private use or consumption and used by the injured person mainly for his or her private use or consumption. This would be different for the given software-based internet platform. Computer programs can be described as products per the definition of section 2 ProdHG.²⁶⁴ The producer of the product must compensate the injured person for the resulting damage. Applicability of the Product Liability Act for software is very uncommon but cannot be excluded as per section 14 ProdHG and must therefore be included in all agreements²⁶⁵.

It is also common to exclude explicitly consequential or indirect damages, such as loss of profit.²⁶⁶ Any further liabilities should also be excluded. If the data transfer is subject to the obligations of the licensor under the agreement, it is advisable to

²⁵⁸ Tollen: The Tech Contracts Handbook, p. 146.

²⁵⁹ Tollen: The Tech Contracts Handbook, p. 147.

²⁶⁰ Marly: Praxishandbuch Softwarerecht, p. 784.

²⁶¹ Marly: Praxishandbuch Softwarerecht, p. 791

²⁶² Act on Liability for Defective Products.

²⁶³ Hoeren: IT-Vertragsrecht, p. 126.

²⁶⁴ Marly: Praxishandbuch Softwarerecht, p. 775.

²⁶⁵ Hoeren: IT-Vertragsrecht, p. 127.

²⁶⁶ Tollen: The Tech Contracts Handbook, p. 148.

limit any liability related to data loss during the transfer to the amount of the typical recovery costs. Any limitations of liabilities that go beyond the legally allowed framework will result in the liability clause being void. In such cases, the standard legal provisions would apply, which include section 276 and section 278 BGB with the licensor ending up with liability for simple negligence.²⁶⁷ This is to be avoided.

v. Indemnification (Article 12)

In an indemnity clause, one party promises to protect the other from lawsuits and other claims (e.g., to hire and pay lawyers and to pay judgments or settlements).²⁶⁸ Indemnification is not included in the Template Software License Agreement (Annex IV). However, it can be found in many different forms in general terms and conditions for the sale of products²⁶⁹ and be added to the license agreement developed. The licensee shall indemnify the licensor, its directors and employees, etc. from third-party claims in connection with the software-based internet platform, unless caused by a violation of contractual obligations by the licensor. Indemnification shall include all costs thereto. Simple negligence should be excluded in each case. A complete exclusion in case of gross negligence or willful misconduct is legally impossible.

vi. Force Majeure (Article 13)

A force majeure clause releases the parties from their contractual obligations if 'acts of God' or other forces out of their control interfere.²⁷⁰ Force majeure forms part of almost all general terms and conditions for the sale of products.²⁷¹ A force majeure clause is not included in the Template Software License Agreement (Annex IV) and should be added. Force majeure would not constitute a breach of the agreement for both parties or result in any liabilities. Reasons for force majeure defining reasons beyond one party's control should be agreed upon. War, riots, floods, earthquakes, epidemics, or orders by force of law would constitute such force majeure, just to name a few. It is advisable to include epidemics, for example, given the recent experience with Covid. Strikes or other forms of labor disputes would usually not be considered as being beyond a party's reasonable control unless listed and

²⁶⁷ Marly: Praxishandbuch Softwarerecht, p. 796.

²⁶⁸ Tollen: The Tech Contracts Handbook, p. 128.

²⁶⁹ Lufthansa Technik AG: Standard Terms and Conditions – Sale of Products, Art. 6.

²⁷⁰ Tollen: The Tech Contracts Handbook, p. 221.

²⁷¹ Lufthansa Technik AG: Standard Terms and Conditions – Sale of Products, Art. 12.

agreed upon expressly. These and other topics falling under force majeure should be carefully reviewed, considering recent experience in a constantly changing world. Since force majeure applies to and protects both parties, it should not be too tricky to agree on the topics to be listed. The entry of force majeure requires a written notification to the other party. The same applies when the force majeure event ends. For the licensor to be able to move forward after the entry of force majeure and if the licensee is not able to perform its obligations under the agreement, a withdrawal should be possible to terminate the agreement after a reasonable period of time.

vii. Confidentiality (Article 14)

In a non-disclosure clause, one party commits to keeping the other party's sensitive information confidential, particularly trade secrets. A non-disclosure clause may operate in one or both directions.²⁷² Confidentiality has already been agreed upon during the negotiations leading up to this agreement in the form of a Non-Disclosure Agreement signed by each bidder. A clause for confidentiality is to be integrated into the license agreement and equals the previously agreed terms. It is usually in both parties' interest to agree on terms for confidentiality. The confidentiality clause governs which information must be treated as confidential, how it will be marked, and under which circumstances a transfer to certain third parties such as subcontractors or affiliates is possible.²⁷³ Both parties shall treat the negotiations leading up to the agreement, the agreement itself, and the individual provisions of the agreement as confidential unless required to fulfill obligations under the agreement. Disclosure to affiliates or subcontractors may be allowed on a need-to-know-basis. The latter only if bound by an additional confidentiality agreement. The licensee also will have to keep confidential all business-related, technical, or strategical data received from the licensor regardless of whether submitted in written or oral form. This leads also to a requirement for a measure of IT data protection. Instead of limiting confidentiality after the closure of the agreement to a specific time, it is suggested here to have it indefinite, surviving the end of the agreement. Disclosing documents does not automatically grant usage rights unless defined in the agreement. Exceptions may apply to data already in the public domain and, therefore, not construed as confidential information. As communication, advertisement, and

²⁷² Tollen: The Tech Contracts Handbook, p. 90.

²⁷³ Marly: Praxishandbuch Softwarerecht, p. 840.

publication in press releases or through social media are very common these days, it is advisable also to add some wording describing that the name or logo of the other party may not be used without obtaining prior written consent.

viii. Notices and Communication (Article 15)

Several clauses within this agreement require written information from one party to the other. All such communication will have to be addressed to the person or function and the specific address provided in this article. This should be expressly included in the agreement.

ix. Effective Date and Termination (Article 16)

The agreement becomes effective once it is signed. However, it is advisable to add a specific start date for the agreement. The obligations of the parties must be fulfilled from this date on. Termination shall only be allowed for substantial reasons as per section 314 BGB. If termination is due to a breach that the breaching party may cure, the other party should allow reasonable time to cure the breach. It is advisable to list topics that would be considered as a substantial reason in a non-comprehensive list specifically. Such topics usually reside within the field of compliance, such as corporate social responsibility or trade control compliance. There will also be an interest of the licensor to have the agreement terminated in case of bankruptcy of the licensee while payments are still due.

x. Corporate Social Responsibility (Article 17)

Due to recent legislation initiatives on national as well as on EU-level corporate social responsibility is an important topic and should be included in the license agreement. The licensor is responsible for ensuring compliance across all business partners along the production chain. Adherence is usually covered in general terms and conditions.²⁷⁴ The licensee, including its subcontractors, should be bound by the ten principles of the UN Global Compact²⁷⁵ and the four fundamental principles of the International Labour Organization (ILO)²⁷⁶. These principles aim to secure human rights, eliminate forced labor or abolish child labor, and create healthy and safe work environments internationally. As the licensee will also grant the licensor

²⁷⁴ Lufthansa Technik AG: Standard Terms and Conditions – Purchasing, Art. 15.

²⁷⁵ UN Global Compact.

²⁷⁶ Fundamental Principles and Rights at Work of the International Labour Organization.

a back-license, the licensee would be considered a supplier, and the Act on Corporate Due Diligence Obligations in Supply Chains (Lieferkettensorgfaltspflichtengesetz, LkSG)²⁷⁷ must be observed. On March 15th, 2024, the EU member states agreed on a Corporate Sustainability Due Diligence Directive (CSDDD), making companies responsible for the adherence to labor and human rights, as well as environmental protection along the supply chain. Once it has passed all approval levels within the EU, adoption of the Act on Corporate Due Diligence Obligations in Supply Chains in Germany will follow. Non-compliance should be considered a substantial reason and allow for termination of the agreement. In order to secure and verify adherence to the terms defined within this article the licensee should grant the licensor audit rights.

xi. Compliance Regulation (Article 18)

Like corporate social responsibility, general compliance with anti-corruption and bribery laws is an equally significant subject. A compliance regulation is not included in the Template Software License Agreement (Annex IV). It is a common business practice to include compliance in B2B contracts and is usually covered by general terms and conditions²⁷⁸ of larger corporations. Compliance is enforced internationally, and non-compliance will have a huge impact on any organization. Especially when related to U.S. law, which can already be the case if payments are made in U.S. dollars, heavy fines, including imprisonment, are possible, not to mention liabilities or the loss of reputation. This is why each organization must establish compliance programs, and compliance is enforced from the top of the organization to every single employee. Also, business partners' compliance must be ensured. Therefore, the licensor requires a warranty from the licensee that no laws related to bribery or corruption, such as but not limited to the ones defined in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions published by the Organization for Economic Co-operation and Development (OECD)²⁷⁹ will be violated. All such applicable laws must be observed by the licensee, including donations or gifts to governmental employees or politicians, when improper advantages are obtained. Here, as well, audit rights should be

²⁷⁷ Act on Corporate Due Diligence Obligations in Supply Chains.

²⁷⁸ Lufthansa Technik AG: Standard Terms and Conditions – Purchasing, Art. 13.

²⁷⁹ OECD: Anti-Bribery Convention.

granted to licensors to conduct anti-corruption audits. Non-compliance results in a substantial reason for termination of the agreement.

xii. Trade Control and Export/Import Compliance (Article 19)

Trade control and export/import compliance is the third compliance topic that must be added to the agreement. Any company must institutionalize trade controls on items shipped depending on the material, destination, end-user and the end-use. The provisions form part of general terms and conditions. Trade controls and export or import restrictions also apply to software-based internet platforms, with most transactions taking place in a cross-border context. Trade controls are a standard international practice. They involve prohibitive or restrictive measures on the import, export, re-export, or transfer of civil, dual-use, or military items such as hardware, software, or technical documentation to prevent proliferation of weapons of mass destruction, promote regional stability and peace, as well as enforce human rights.²⁸⁰ Due to the extraterritorial application of U.S. law, it is advisable to get the commitment to adhere to all applicable export, import, and sanction laws including a non-comprehensive list of such laws naming the U.S. Export Administration Regulations (EAR)²⁸¹ and International Traffic in Arms Regulations (ITAR)²⁸² specifically. No licenses will likely be required for a software-based internet platform. However, if encryption forms part of the software, one should be aware of it and adhere to respective regulations, if required. Business is restricted in embargoed countries. It is also not allowed to enter any business transaction or transfer any money to persons being sanctioned and listed on a sanctioned party list, e.g., as stipulated by the United Nations Security Council Consolidated List²⁸³. Compliance must be verified, including shareholders or other persons controlling the business partner. A thorough check of new business partners is therefore required. The licensee should be required to confirm that he is neither listed on any applicable sanctioned party list nor controlled by a sanctioned person. The licensor will have to be informed of any changes. In case governmental authorities require any information, documents, or certificates to ensure compliance with trade control laws, the parties shall support each other at no additional cost. It may ease the negotiation process if this article is phrased reciprocally. The licensor should be able to commit to the

²⁸⁰ Bundesamt für Wirtschaft und Ausfuhrkontrolle: Praxis der Exportkontrolle, p. 21/35.

²⁸¹ U.S. Export Administration Regulations.

²⁸² International Traffic in Arms Regulations.

²⁸³ United Nations Security Council Consolidated List.

topics of this article. In each case, non-compliance here also constitutes a substantial reason for termination, and audit rights should be granted to the licensor to ensure and verify compliance.

xiii. No Agency (Article 20)

To avoid the establishment of a partnership under civil law (Gesellschaft bürgerlichen Rechts, GbR) or other joint liabilities, the agreement intends to establish a business relationship between licensor and licensee within the boundaries of the agreement and not a joint venture or other form of cooperation. The intent of the agreement should, therefore, be pointed out for the avoidance of any doubt. No party shall have the authority to represent the other party or enter any liabilities on behalf of such party. The parties do not intend to cooperate as per section 705 BGB to achieve a common purpose.²⁸⁴

xiv. Audits (Article 21)

Software providers have started to demand visibility into customer compliance.²⁸⁵ Developers of expensive and complex computer programs have a legitimate interest in understanding and controlling the usage of their software because limitations, e.g., in the form of restricting CPU usage, are considered legal²⁸⁶, especially when software is provided temporarily.²⁸⁷ Adobe, Microsoft, Oracle, SAP and other large software publishers conduct regular audits on their customers.²⁸⁸ Compliance will have to be monitored. Therefore, audit rights often form part of general terms and conditions and would not be regarded as surprising in a B2B context.²⁸⁹ Audit rights shall assist in the verification of the usage of the software-based internet platform in agreement with the terms of this contract (Article 3 – Grant of Rights) as well as for compliance (Article 17 – Corporate Social Responsibility, Article 18 – Compliance Regulation, Article 19 – Trade Control and Export/Import Compliance). Elementary audit rights are being granted by section 32a UrhG²⁹⁰, but these are insufficient in a dispute. Audit rights are also mentioned briefly in the Template Software License Agreement (Annex IV). More comprehensive audit rights should be added

²⁸⁴ Obergefell/Hauck: Lizenzvertragsrecht, p. 84.

²⁸⁵ Concessao: Software License Management Framework, p. 67.

²⁸⁶ BGH, Decision, 24.10.2002, I ZR 3/00 (Frankfurt a.M.) – Angemessene Klausel in Softwarelizenzvertrag - CPU-Klausel, see governing principle a).

²⁸⁷ Hoeren: IT-Vertragsrecht, p. 92.

²⁸⁸ Concessao: Software License Management Framework, p. 111.

²⁸⁹ Lufthansa Technik AG: Standard Terms and Conditions – Purchasing, Art. 12.

²⁹⁰ Obergefell/Hauck: Lizenzvertragsrecht, p. 119.

to the developed agreement. Initially, each party should bear the cost of the audit until a breach of obligation has been identified. Depending on the negotiations, the licensee may want to limit the audit rights by asking for some notification prior to the audit or limiting it to business hours, for example. Without any audit rights, it will be challenging to prove non-compliance and enforce the licensor's rights or interests. Audit rights will only be granted to the licensor if reasonable to not make the whole article void as per section 307 (1) BGB. In case of business secrets or topics underlying the confidentiality of the licensee, the licensor's audit rights may be limited. In regard to operational information underlying special confidentiality interests, the licensor may not be granted access to such data as per section 242 BGB (performance in good faith).²⁹¹

xv. *Miscellaneous (Article 22)*

Boilerplate clauses will be gathered under this last article. Apart from 'Law' (Article 22.1) and 'Jurisdiction' (Article 22.2), all other articles must be added to the Template Software License Agreement (Annex IV) from other sources addressing the specific context between businesses.

Law (Article 22.1)

License agreements are often concluded in an international business context with parties residing in different countries. The parties are entitled to unanimously decide on the choice of governing law as per Article 3 Rom I-Regulation.²⁹² It is always recommended to include a choice of law in license agreements. Without a specific provision, the agreement may be subject to the law of the country of protection. This may lead to different results, and the outcome is often unpredictable.²⁹³ Therefore, the applicable law should be agreed upon. Usually, the law will be defined by the licensor and its place of business. The agreement drafted within this thesis is subject to German law. If any other law is selected, the agreement would have to be reviewed in that context again. It is common practice in B2B agreements to exclude the United Nations Convention on Contracts for the International Sale of Goods (CISG)²⁹⁴ explicitly, which is possible as per article 6 CISG. Otherwise, as per article 1 (1) lit. a) CISG the United Nations Convention on Contracts for the

²⁹¹ Marly: Praxishandbuch Softwarerecht, p. 737.

²⁹² Obergfell/Hauck: Lizenzvertragsrecht, p. 147.

²⁹³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 313.

²⁹⁴ United Nations Convention on Contracts for the International Sale of Goods, CISG.

International Sale of Goods could apply to contracts of sale of goods between parties whose places of business are in different contracting states. Germany has been a contracting state since 1991. Software could be classified as a good per section 90 BGB, as previously discussed, and the agreement could be regarded as a purchase agreement.²⁹⁵ Even though German law was chosen, the language of the agreement is English. In case of conflict between the English and German legal meaning, the German legal meaning shall prevail.

Alternatively, arbitration or mediation may be chosen. Both alternatives have the benefit of keeping the dispute off the public and its content private. Arbitration is a formal method of dispute resolution involving a neutral third party who makes a binding decision and requires an arbitration agreement. An arbitration award ultimately has the same effect as a court decision.²⁹⁶ Still, arbitration is usually avoided, mainly due to the costs incurred. The language and location of the agreed law or arbitration may lead to additional translation efforts, travel expenses, and related delays for the foreign party.²⁹⁷ Given that the conduct of a mediation leads to significantly lower cost than an arbitration or court trial²⁹⁸, a mediation should be considered. A mediation is a negotiation facilitated by a neutral third-party and provides multiple chances and opportunities to both parties. Besides the fact that mediation also mitigates risks, it is quicker and cheaper than arbitration. In many cases, especially in cross-border conflicts, mediation has proven to lead to more permanent and satisfying solutions, maintaining the parties' relationship and providing new business opportunities.²⁹⁹ Therefore, an optional wording for the inclusion of mediation has been suggested in the developed agreement in Annex III ('B2B License Agreement'). This would require the parties to agree on a joint mediator in case of a dispute before going to court. Mediation shall be confidential, and only in case of declared failure of such mediation would an appeal to court be accepted.

Jurisdiction (Article 22.2)

Besides applicable law, the place of jurisdiction shall be defined. Usually, a well-known court close to the headquarters of the licensor will be chosen. A court of first instance that as such is not competent may become the forum by express or tacit

²⁹⁵ Marly: Praxishandbuch Softwarerecht, p. 438, 439, 440.

²⁹⁶ Marly: Praxishandbuch Softwarerecht, p. 863.

²⁹⁷ Gergen: Mediation und Translation im Recht des Geistigen Eigentums, p. 99.

²⁹⁸ Gergen: Mediation und Translation im Recht des Geistigen Eigentums, p. 66.

²⁹⁹ Gergen: Mediation und Translation im Recht des Geistigen Eigentums, p. 128/129.

agreement of the parties according to section 38 (1) of the Code of Civil Procedure (Zivilprozessordnung, ZPO³⁰⁰) should the parties to the agreement be merchants or legal persons under public law.³⁰¹ If the licensee is not resident in the same country as the licensor and the selected country of jurisdiction, the licensee must name a representative within this country to whom court papers may be served.

Waiver and Severability (Article 22.3)

A severability clause limits the impact of unenforceable terms. It confirms that the parties intend the contract to operate as written to the maximum extent possible.³⁰²

The purpose of a severability clause is to exclude the application of statutory provisions such as section 139 BGB, according to which if one clause is found invalid, the entire agreement is deemed invalid.³⁰³ By including a severability clause, the remainder of the agreement will remain in effect, with just the clause in question having to be replaced.

Assignment (Article 22.4)

As already defined in the scope of the license (Article 3 – Grant of Rights), it should be manifested for the whole agreement that the licensee shall not assign any of its rights or obligations under this agreement without prior written consent of the licensor. Exceptions, e.g., in case the licensor is required to assign parts of its obligations to an affiliate, should be defined and agreed upon within the agreement. This is usually covered in general terms and conditions.³⁰⁴

Notification of Changes (Article 22.5)

If any name, address, or other changes to the agreement are required, the person identified as a point of notification shall be contacted immediately. Changes to name or address after signature should be formally notified, too.

Entire Agreement (Article 22.6)

The entire agreement clause confirms that all terms the parties meant to include are in the agreement. It voids any letters, discussions, side agreements, or similar

³⁰⁰ Code of Civil Procedure.

³⁰¹ Marly: Praxishandbuch Softwarerecht, p. 855.

³⁰² Tollen: The Tech Contracts Handbook, p. 223.

³⁰³ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 321.

³⁰⁴ Lufthansa Technik AG: Standard Terms and Conditions – Sale of Products, Art. 10.

understandings in existence before the contract was signed.³⁰⁵ To avoid any misunderstanding, it should be documented that the agreement solely consists of the written terms, including its attachments, and nothing else. Verbal agreements reached during the negotiation shall be explicitly excluded. It is also recommended that a provision be added that nothing shall be regarded as agreed upon until everything has been agreed upon. Preliminary results of contract negotiations postponing the determination of details to a later date may otherwise be regarded under national law as an enforceable license agreement. This may be the case, especially when an agreement on royalties has already been reached during the negotiations of the agreement while the rest of the agreement is still being negotiated.³⁰⁶

Order of Precedence (Article 22.7)

The order of precedence clause defines which articles prevail in case of ambiguous provisions in different parts of the agreement. The agreement shall prevail over any provisions in any attachment or other document unless such document refers to an article within the main agreement that the parties wish to deviate from.

Exclusion of General Terms and Conditions (Article 22.8)

Most likely, both parties have general terms and conditions for sale and purchasing in place. The agreement here has been negotiated agreeing on common terms instead of applying general terms and conditions. To avoid any confusion, general terms and conditions should be excluded explicitly.

Alteration (Article 22.9)

Even though no form requirements for license agreements exist, section 125 sentence 2 BGB clarifies that the parties may agree on specific requirements.³⁰⁷ The agreement stands as is. It is expedient to require any amendments to the contract to be made in writing and duly signed. Verbal agreements between the parties do not exist unless documented in writing.

Interpretation (22.10)

The list of contents, section names, and headings are intended to ease reading and shall, like the preamble or whereas-clauses, not be taken into account when construing the agreement.

³⁰⁵ Tollen: The Tech Contracts Handbook, p. 233.

³⁰⁶ Pagenberg/Beier: Lizenzverträge / License Agreements, p. 159.

³⁰⁷ Marly: Praxishandbuch Softwarerecht, p. 836.

Form of Agreement (Article 22.11)

One agreement shall be prepared for each party and signed by both parties. In addition, it is good business practice also to initial each page of the agreement and its attachments, thereby documenting that all pages have been received and reviewed.

No Competition (not included)

A non-compete clause can restrict either party, but usually, it is the customer who is worried about competition.³⁰⁸ It may be in the interest of the licensee to ensure that during the term of the exclusive licensing, the licensor will not start a similar business from scratch and start competing with the licensee in the same field of business. This may be legal and acceptable within applicable competition laws. However, in the best case, the addition of such a clause should not be accepted if desired by the licensee, as it limits the freedom and options of the licensor. In the case of exclusive usage rights and the provision of source code to the licensee, one may assume a tacit understanding of a non-competition agreement, as the licensor may not undermine the exploitation rights of the licensee.³⁰⁹

xvi. Initials/Signature

The signature page should be prepared for each party, providing the name, title, date, and place of signature for each signatory along with the signature itself. Alternatively, electronic signatures, which have become increasingly common, may be used. If this is desired, the mutually accepted and legally proof form of an electronic signature should be agreed upon and added to the agreement. One signature per party is sufficient, depending on the position or role and the company's internal rules. In many corporations, two authorized persons must sign the document in accordance with the corresponding signature delegation. This way, the two-sets-of-eyes principle is applied.

d) Attachments

The attachments already introduced in the main provisions of the agreement must be populated and prepared accordingly. Attachments are best used for detailed descriptions in non-legal terms.

³⁰⁸ Tollen: The Tech Contracts Handbook, p. 164.

³⁰⁹ Marly: Praxishandbuch Softwarerecht, p. 743.

Description of the Software-Based Internet Platform – Attachment 1: ‘Licensed Product’

Attachment 1 describes the entire software-based internet platform as the ‘licensed product’. The licensed product comprises object code, source code, data, know-how, trademark, and the corresponding documentation. The software-based internet platform provides a digital solution for certain services. The main functionality, type of users, input, outcome, and benefits should be elaborated on. Which roles and user types do exist? What are the underlying processes or steps to be taken within the software-based internet platform? Which options are provided? Access requirements, e.g., browser-based, or by means of an iOS app, shall be described. Other process requirements like upfront registration of users or procedure for termination should be listed. Which software will be provided and in what programming language is it written? Also, the existing business model should be described in detail, providing, e.g., fees or the number of critical users/partners required. Last but not least, an overview of reports available with the software-based internet platform shall be provided for the licensee to monitor the progress and success of the platform.

Right to Use and Exploit – Attachment 2: ‘Purpose of Use’

The licensee’s right to use and exploit the software-based internet platform as described in Attachment 1 (‘Licensed Product’) is limited to the purpose and intentions of the licensor. This shall be described in Attachment 2 (‘Purpose of Use’). The Licensee shall understand, agree to, and adhere to the guidelines provided for the promotion, operation, and future enhancements of the platform. To set boundaries, ‘dos’ and ‘don’ts’ may be listed for the licensee. Such ‘dos’ and ‘don’ts’ should cover the processes from copy and installation to publication and transformation of the software as well as maintenance or updates of the software. The licensee must, at minimum, adhere to the common good business practices, social norms, non-discrimination etiquette, and fair treatment of customers and clients. An extended purpose of use may include a future rollout plan, marketing activities, additional features to be introduced, or specified investments to be taken.

Technical Requirements – Attachment 3: ‘System Requirements’

The software-based internet platform will most likely have to be transferred from the licensor’s system environment to a new host within the responsibility of the licensee. The technical requirements for such a data center to host the licensed product must be specified to operate the platform properly. This includes the required hardware and operating systems, but also performance requirements, response times to be ensured, or allowing access to a specific number of users having access to the software-based internet platform simultaneously.

Transfer of Personal Data – Attachment 4: ‘Controller to Controller Transfer of Personal Data’

In case the transfer of personal data such as name, date or place of birth, addresses, etc., of users of the software-based internet platform from the licensor to the licensee is intended, a controller-to-controller agreement is required. This describes which party is the controller of the user’s personal data at which point in time, and how the transfer of control will take place. Compliance with the applicable data protection laws will have to be ensured at all times. Ways of communication between the parties, the transitioning process, and required steps, must be agreed upon. The EU has released a Commission Implementing Decision (EU) 2021/914³¹⁰ on standard contractual clauses for the transfer of personal data to third countries pursuant to Regulation (EU) 2016/679. Different model contractual clauses for such controller-to-controller agreements are provided therein. Module I of the implementing decision addresses controller-to-controller agreements, which could be prepared accordingly and added to Attachment 4 (‘Controller to Controller Transfer of Personal Data’) of the drafted agreement.

e) Closure

The tools provided within this thesis, including the decision matrix and the executive summary, shall assist during the process from target definition, bidder selection, and conducting negotiations to preparing and finishing a license agreement for the transfer of a software-based internet platform. However, nothing replaces reading out loud and crosschecking the final agreement prior to signature to ensure every-

³¹⁰ Standard Contractual Clauses for the Transfer of Personal Data to Third Countries.

thing is documented as desired and adequately understood by both parties. In practice, it has proven vital to document and communicate the achieved result, as the whole agreement will only be read by very few. The executive summary in Annex II ('Management Summary, Checklist') can provide an excellent example of such communication after having already served as a checklist during the negotiation process. The first page gives an overview of the licensee, the agreement, targets, approach of negotiation, commercial aspects, and target achievement with the contract closure. The second page provides a checklist regarding the comprehensiveness of legal aspects as well as target solutions and achieved solutions for each aspect. The target achievement per aspect is provided in the form of a simple smiley. This eases reading for executives prior to signature and provides a quick overview that can also be used as a reference list for other employees involved in the conduction of the license during the term of the agreement. The start date of the agreement forms part of the contract defining all subsequent actions. Regardless of how well the negotiations are going, the transfer of any intellectual property should only start once the ink of both parties has dried under the agreement. An agreement in the desired form has only been concluded with signatures of all parties.

V. Special Constellations

When selling or exclusively licensing a software-based internet platform in a B2B context, extensive usage rights are required as opposed to a consumer buying a standard software for personal use on his or her computer. When acquiring a software, usage rights are always included.³¹¹ The provision of a software copy is only useful if it also grants permission to use the software. The provision of software and granting of usage rights must be considered together for any legal assessment.³¹² When acquiring software for a specific scope of usage, the required usage rights can be taken for granted. In a B2B context, when selling or exclusively licensing an entire software-based internet platform, additional constellations must be considered. The software-based internet platform may, e.g., include software for an app to be distributed to the end-users. The entire software will likely not run on a personal computer but rather be hosted by a service provider in a data center or via cloud computing. Additionally, to access a web page an internet domain may have to be registered.

a) Apps

The acronym 'app' comes from application. An app provides the ultimate end-user access to the services offered by a software-based internet platform using personal mobile devices. For the end-user to access the services, an app must be developed for the respective operating system, e.g., Android, or iOS of the personal hardware. Apps fall under section 69a *et seq.* UrhG governing copyrights of computer programs.³¹³ After development, the app must be distributed by a service provider, e.g., Apple App Store for iOS, for the end-user to install it on its mobile device. Only after installation of the app on the personal device will the ultimate end-user be able to access the software-based internet platform. Apart from the software for the app that has been developed as part of the software-based internet platform and forms part of the software bundle to be provided to the new owner through sale or exclusive licensing, additional contractual layers must be considered. Initially, the development of an app is a work qualifying for sections 650 and 651 BGB. This constitutes a contract between the developer and the owner of the app. The initial owner

³¹¹ European Court of Justice (EuGH), Judgment, 03.07.2012, Case C-128/11 UsedSoft, see recital 44.

³¹² Marly: Praxishandbuch Softwarerecht, p. 648.

³¹³ Marly: Praxishandbuch Softwarerecht, p. 39.

transfers the rights on the app to the new owner in the form of a license agreement as discussed in this thesis. The owner then will have to enter into a distribution agreement with a supplier, e.g., Apple for the Apple App Store, to make the app available for end-users. This is a separate agreement between the new owner and the respective supplier(s) allowing for the app to be downloaded by end-users. In many cases, apps can be downloaded by end-users for free. This then constitutes a donation to the end-user. A purchase agreement between the supplier and the end-user exists under separate terms if paid for.³¹⁴ Only after the subsequent agreements have been entered into and required steps taken will the end-user have access to the software-based internet platform by using an app on its personal mobile device. These agreements are not part of this thesis but will have to be considered when an app forms part of the software bundle provided in the B2B context of a sale or exclusive licensing of a software-based internet platform. The required underlying rights will have to be granted to the new owner as part of the license agreement.

b) *Hosting*

An end-user will only be interested in running the software on a personal computer, thereby benefitting from the software's functionality. Therefore, the given software-based internet platform will have to be made available and accessible to the public or at least to identified individual end-users. Access is usually granted through the internet. This requires the software to be made accessible by storing it on a server connected to the internet. Any computer of the owner of the software-based internet platform can serve as such a server. For availability and performance reasons, the software will usually be stored on a cluster of servers operated in a data center, depending on the requirements. Very few companies these days still operate an individual data center. This service is usually provided by specialized organizations hosting software for many companies and purposes in high-tech data centers. Big international companies like Amazon, through its subsidiary Amazon Web Services (aws), provide such services, from infrastructure technologies like computing, storage, and databases to emerging technologies, such as machine learning and arti-

³¹⁴ Marly: Praxishandbuch Softwarerecht, p. 510.

ficial intelligence, data lakes and analytics, and the Internet of Things. These services are provided through cloud computing based on data centers distributed globally.³¹⁵ Hosting a software in a data center may require a transfer of usage rights that is not necessarily covered by section 69d UrhG unless the software has been acquired.³¹⁶ The data center will process the data based on a software provided by its customer.³¹⁷ When selling or exclusively licensing a software-based internet platform, the required rights must be granted to the new owner, and the transfer of the software from one host to another will have to be supported. Using hosting services for the software-based internet platform requires an agreement between the software owner and the hosting service provider. The details of this kind of agreement do not form part of this thesis but will have to cover, *inter alia*, service-level agreements and data protection.

c) Domain Names

A domain name is an address that provides access to a company's web presence.³¹⁸ Domain name rights do not qualify as IP rights, even though internet domains require registration. In Germany, the registration is administered by DENIC (Deutsches Network Information Center e.G.). In contrast to the Trade Mark Act, registering a domain name does not grant absolute rights to the registering party. It is questionable whether domain name rights can be transferred contractually as usage rights and form part of a license since they do not qualify as proprietary rights.³¹⁹ The German Federal Constitutional Court decided in 2004 that usage rights on an internet domain provided by DENIC neither constitute any proprietary rights on the internet address itself nor any other rights on the domain that could qualify as rights on intangible goods.³²⁰ However, domain names may be traded or transferred.³²¹ Therefore, a transfer of domain name rights is best agreed upon separately and should not form part of a license agreement. Usage of a domain name as a commercial designation to distinguish the product from competitors may

³¹⁵ Amazon Webservice Services: Cloud Computing with AWS.

³¹⁶ Redeker: IT-Recht, p. 26/27.

³¹⁷ Redeker: IT-Recht, p. 260.

³¹⁸ Redeker: IT-Recht, p. 426.

³¹⁹ Obergfell/Hauck: Lizenzvertragsrecht, p. 58.

³²⁰ BVerfG, Decision, 24.11.2004, BvR 1306/02 - Eigentumsschutz von Internet-Domains, see recital 1.

³²¹ Redeker: IT-Recht, p. 440.

result in trademark rights.³²² Those trademark rights can form part of a license agreement if the domain name is not merely used as an internet address.

³²² Gruber: Gewerblicher Rechtsschutz und Urheberrecht, p. 87.

VI. Summary and Outlook

The value of intangible properties for companies continues to increase. Intangible assets comprise, *inter alia*, patents, brand value, data, and software. Often, innovation activities resulted in in-house developed software-based internet platforms aimed at disrupting existing business models. A software-based internet platform consists of intellectual property in software (source code and object code, standard and individual, front-end and back-end), know-how, data and the trademark. Transferring usage rights on a software-based internet platform between businesses requires a license agreement once a divestment decision for the in-house developed software-based internet platform matures. By the means of a license, the intangible property rights can be exploited economically. A license agreement provides plenty of flexibility. However, for a license many legal areas like the law of obligations, IP-rights, antitrust and competition laws, data protection laws, and other legal areas must be considered to legally authorize the usage of intangible products, especially in a B2B environment embedded in an international cross-border context. Besides the software-based internet platform, this thesis covers databases and their content, as well as special constellations for apps, hosting, or domain names. An individual license agreement has been developed based on a publicly available end-user license template that resembles areas in a purchase agreement, regardless of the eternally disputed contractual typological classification for license agreements. The license agreement defines in which form and to what extent (scope: exclusive, assignable, etc.) a licensor grants the licensee usage rights. The template agreement has been adjusted for the given context through the addition of B2B-specific regulations, recommendations based on literature and jurisdiction, excerpts from general terms and conditions, and based on experience. The description of the legal boundaries followed by the identification of levers (commercial: license fee, success contribution, and investment) for the contract negotiation depending on the targets of the buyer and the seller support the development of a tailored license agreement for the transfer of a software-based internet platform in a cross-border B2B context. Having understood the legal baselines in different areas, following the processes described, and using the tools provided, the developed license agreement can easily be adjusted by fine-tuning the levers in highlighted areas. This way the expectations of the licensor and the licensee can be met, and the return on investment will be maximized while providing excellent prospects for the in-house developed software-based internet platform.

The thesis is based on experience gathered during a deal that successfully transferred the intellectual property of a software-based internet platform to a new company. Years later, the platform and the trademark still exist and are prospering. Both parties' financial capabilities and interests have been met. The seller recovered its initial investment while the buyer was still left with room to maneuver. After the closure of the deal, the seller continued to benefit from the success of the software-based internet platform. The selling corporation remained a key user of the platform and provided valuable insights and support in optimizing and enhancing the platform. The deal even provided development opportunities for employees of the seller who joined the new company. It is a true win-win for all parties involved. This thesis documents the approach chosen and tools used. The experience gained shall assist others facing similar challenges pursue a target-driven, compliant, and legally certain process for selling or exclusively licensing their in-house developed software-based internet platform. The summary of legal boundaries, processes outlined, tools provided, levers identified, and most importantly, the agreement developed as a blueprint shall support others in achieving their goals and contribute to a successful future-proof closure when transferring the ownership of a software-based internet platform in an international B2B context.

B. List of References

- Bundesamt für Wirtschaft und Ausfuhrkontrolle*: Praxis der Exportkontrolle, 4. Auflage, Reguvis Fachmedien GmbH, Köln, 2021.
- Butler, Jeffrey M.*: Die US-Marke, Carl Heymanns Verlag, Köln, 2011.
- Christou, Richard*: Drafting Commercial Agreements, Fourth Edition, Sweet & Maxwell, London, 2009.
- Cohausz, Helge/ Wupper, Horst*: Heymanns Einführung zum gewerblichen Rechtsschutz, Gewerblicher Rechtsschutz und angrenzende Gebiete, Carl Heymanns Verlag, Köln, 2010.
- Concessao, R.*: Software License Management Framework, Version 11, iCS, 2016.
- Ekey, Friedrich/ Bender, Achim/ Fuchs-Wisseemann, Georg*: Markenrecht, Band 1, Markengesetz und Markenrecht ausgewählter ausländischer Staaten, 3. Auflage, C.F. Müller, Hamburg, 2014.
- Gergen, Thomas*: Die Nachdruckprivilegienpraxis Württembergs im 19. Jahrhundert und ihre Bedeutung für das Urheberrecht im Deutschen Bund, Schriften zur Rechtsgeschichte, Heft 137, Duncker & Humblot GmbH, Berlin, 2007.
- Gergen, Thomas*: Mediation und Translation im Recht des Geistigen Eigentums, Nomos Verlagsgesellschaft, Baden-Baden, 2015.
- Grimm, Ulrich*: Nachweis der rechtserhaltenden Benutzung von Marken in einem internationalen Konzern, EIKV-Schriftenreihe zum Wissens- und Wertemanagement No. 36, European Institute for Knowledge & Value Management (EIKV), Hostert, 2020.
- Gruber, Joachim*: Gewerblicher Rechtsschutz und Urheberrecht, 13. Auflage, niederle media, Altenberge, 2022.
- Hacker, Franz*: Markenrecht, 5. Auflage, Carl Heymanns Verlag, Köln, 2019.
- Hassenpflug, Helwig/Schwind, Hans-Dieter/Melchior, Robin*: Wirtschaftsrecht, leicht gemacht, 4. Auflage, Ewald v. Kleist Verlag, Berlin, 2014.
- Hoeren, Thomas*: IT-Vertragsrecht, Praxis-Lehrbuch, 2. Auflage, Verlag Dr. Otto Schmidt, Köln, 2012.
- Kapp, Thomas*: Kartellrecht in der Unternehmenspraxis, Was Unternehmer und Manager wissen müssen, 3. Auflage, Springer Gabler, Wiesbaden, 2018.
- Lachmann, Andreas*: Mergers & Acquisitions: A Practical Global Guide, Globe Business Publishing Ltd, London, 2007.
- Marly, Jochen*: Praxishandbuch Softwarerecht, 7. Auflage, Verlag C. H. Beck, München, 2018.
- Marx, Claudius*: Deutsches, europäisches und internationales Markenrecht, 2. Auflage, Luchterhand, Köln, 2007.
- Massey, Stephen*: The Ultimate GDPR Practitioner Guide, 2nd Edition, Fox Red Risk Publishing, London, 2020.
- Obergfell, Eva Inés/Hauck, Ronny*: Lizenzvertragsrecht, 2. Auflage, Walter de Gruyter GmbH, Berlin/Boston, 2020.
- Pagenberg, Jochen/Beier, Dietrich*: Lizenzverträge / License Agreements, 6. Auflage, Carl Heymanns Verlag, Köln, 2008.

- Pfaff, Dieter/Osterrieth, Christian*: Lizenzverträge, Formularcommentar, 2. Auflage, Verlag C.H. Beck, München, 2004.
- Pitz, Johann*: Beck'sche Formulareammlung zum gewerblichen Rechtsschutz mit Urheberrecht, 4. Auflage, Verlag C.H. Beck, München, 2009.
- Pohlmann, André*: Das Recht der Unionsmarke, Erwerb, Benutzung und Durchsetzung der Unionsmarke unter dem reformierten EU-Markenrecht, 2. Auflage, C.H. Beck, München, 2018.
- Redeker, Helmut*: IT-Recht, NJW Praxis, 7. Auflage, Verlag C. H. Beck, München, 2020.
- Rosenthal, Michael/Thomas, Stefan*: European Merger Control, Verlag C. H. Beck, München, 2010.
- Tollen, David W.*: Cloud Computing Agreements, Software Licenses, and Other IT Contracts for Lawyers and Businesspeople, The Tech Contracts Handbook, 2nd Edition, American Bar Association, USA, 2015.
- Young, Mike*: Software Licensing Agreements, Quick Legal Guides, Internet Attorneys Association LLC, USA, 2019.

C. List of Web References

- Ali, Aran*: Visual Capitalist, The Soaring Value of Intangible Assets in the S&P 500, published Nov. 12th, 2020, online available at: <https://www.visualcapitalist.com/the-soaring-value-of-intangible-assets-in-the-sp-500>, last access: March 21st, 2024.
- Amazon Webservice Services*: Cloud Computing with AWS., online available at: https://aws.amazon.com/what-is-aws/?nc1=f_cc, last access: March 23rd, 2024.
- Augustin, Birgit*: Corporate Tax in Germany: What You Need to Know Before You Start or Expand Your Business, GmbH Tax Services, online available at: <https://gmbhtax.de/kb/corporate-tax/>, last access: March 21st, 2024.
- Berkman Klein Center for Internet & Society at Harvard University*: Overview of Trademark Law, online available at: <https://cyber.harvard.edu/metaschool/fisher/domain/tm.htm>, last access: March 21st, 2024.
- EUIPO*: Markendefinition, online available at: <https://euipo.europa.eu/ohimportal/de/trade-mark-definition>, last access: March 21st, 2024.
- EUR-Lex*: Summary of Treaty on the Functioning of the European Union, 15.12.2017, online available at: <https://eur-lex.europa.eu/EN/legal-content/summary/treaty-on-the-functioning-of-the-european-union.html>, last access: March 21st, 2024.
- IBM*: What is open source software?, online available at: <https://www.ibm.com/topics/open-source>, last access: May 19th, 2024.
- InnovationLab GmbH*: Software License Agreement, online available at: https://www.innovationlab.de/fileadmin/InnovationLab_EN/Services_and_Transfer/SensorMartixLAB/Vertrag_Software_lizenz_V4.0.pdf, last access: March 21st, 2024.
- Jura Individuell*, Die Entwicklung des Bürgerlichen Gesetzbuches, Die Entwicklung des Bürgerlichen Gesetzbuchs, online available at: <https://www.juraindividuell.de/artikel/die-entwicklung-des-buergerlichen-gesetzbuchs/>, last access: March 21st, 2024.
- Lufthansa Technik AG*: Standard Terms and Conditions for Aircraft Engineering and Consultancy Services, online available at: <https://www.lufthansa-technik.com/en/standard-conditions>, last access: March 21st, 2024.
- Lufthansa Technik AG*: Standard Terms and Conditions – Purchasing, online available at: <https://www.lufthansa-technik.com/en/standard-conditions>, last access: March 21st, 2024.
- Lufthansa Technik AG*: Standard Terms and Conditions – Sale of Products, online available at: <https://www.lufthansa-technik.com/en/standard-conditions>, last access: March 21st, 2024.
- Meents*: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, Softwarelizenzvertrag, D-E, Walz, 5. Auflage, 2022, Beck online, online available at: https://beck-online.beck.de/Dokument?vpath=bib-data%2Fform%2Fwalzfbzwur_5%2Fcont%2Fwalzfbzwur.glg.q1.htm&pos=13&hlwords=on, last access: March 21st, 2024.

- Plutte, Niklas/ Wolf, Oliver*: Lizenzvertrag: Rechtstipps und kostenlose Erstberatung, online, Kanzlei Plutte, available at: <https://www.ra-plutte.de/lizenzvertrag-individuelle-vertraege-fuer-lizenzeinraeumungen/>, last access: March 21st, 2024.
- Pres*: Gestaltungsformen urheberrechtlicher Softwarelizenzverträge, FHZivR 40, Nr. 6247, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fzeits%2Ffhziv%2F40%2Fcont%2Ffhziv.40.gl49.6247.htm&pos=0>, last access: April 1st, 2024.
- Rodrigues, Salvador*: CNBC, As calls grow to split up Facebook, employees who were there for the Instagram acquisition explain why the deal happened, published Sept 24th, 2019, online available at: <https://www.cnbc.com/2019/09/24/facebook-bought-instagram-because-it-was-scared-of-twitter-and-google.html>, last access: March 21st, 2024.
- Taeger/Pohle*: Computerrechtshandbuch, Werkstand: 38. EL, August 2023, online available at: https://beck-online.beck.de/Dokument?vpath=bib-data%2Fkomm%2Ftaegerpohlehdbr_38%2Fcont%2Ftaegerpohlehdbr.gl204.glii.gl5.glb.glbb.htm&pos=5&hlwords=on, last access: April 1st, 2024.
- Thurn/Wiegand*: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, Vertraulichkeitsvereinbarung – Non-Disclosure Agreement, D-E, Walz, 5. Auflage, 2022, Beck online, available at: https://beck-online.beck.de/Dokument?vpath=bib-data%2Fform%2Fwalzfbzwur_5%2Fcont%2Fwalzfbzwur.gln.gl1.htm&pos=3&hlwords=on, last access: April 14th, 2024.
- Warzel, Charlie/ Mac, Ryan*: BuzzFeed.News, These Confidential Charts Show Why Facebook Bought WhatsApp, published Dec 5th, 2018, online available at: <https://www.buzzfeednews.com/article/charliewarzel/why-facebook-bought-whatsapp>, last access: March 21st, 2024.
- WIPO*: Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, Status on August 1st, 2023, online available at: https://www.wipo.int/export/sites/www/treaties/en/docs/pdf/madrid_marks.pdf, last access: March 21st, 2024
- Vestil. Mike*: What Are Licensing Fees And Why Do You Need To Pay Them?, published: 2023, online available at: <https://www.mikevestil.com/entrepreneurship/business-planning/what-are-licensing-fees-and-why-do-you-need-to-pay-them/#:~:text=The%20licensing%20fees%20can%20be%20based%20on%20various,fees%20as%20the%20product%20continues%20to%20generate%20revenue>, last access: March 29th, 2024.
- Züwerink-Roek, Kerstin*: Das neue BGB Vertragsrecht für digitale Produkte und Dienstleistungen - Umsetzung der RL 2019/770, Anwalt.de, published: June 6th, 2022, online available at: <https://www.anwalt.de/rechtstipps/das-neue-bgb-vertragsrecht-fuer-digitale-produkte-und-dienstleistungen-umsetzung-der-rl-2019-770-201741.html>, last access: March 29th, 2024.

D. Jurisdiction Referenced

AG Pforzheim, *Decision*, 07.07.1987, 3C 540786 – *Werkvertrag, Gewährleistung*: CR 1989, 497, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Ffisk%2F1989%2Ffisk.1989.410024.htm&anchor=Y-200-GE-AGPFORZHEIM-AZ-3C54086>, last access: March 23rd, 2024.

BGH, *Decision*, 10.03.1983, VII ZR 302/82 (Frankfurt a.M.) – *Keine Anwendung des Abzahlungsgesetzes auf typischen Fertighausvertrag*: BeckRS 1983, 599, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F1983%2Fcont%2Fbeckrs.1983.00599.htm>, last access: March 21st, 2024.

BGH, *Decision*, 14.07.1993, VIII ZR 147/92 (Koblenz) – *Wandlung von Soft- und Hardwarevertrag*: BeckRS 1993, 2260, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F1993%2Fcont%2Fbeckrs.1993.02260.htm>, last access: March 23rd, 2024.

BGH, *Decision*, 22.12.1999, VIII ZR 299/98 (LG Berlin) – *Abnahme und Mängelrüge bei Standard-Software*: BeckRS 1999, 30088431, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fnomos%2F1999%2Fcont%2Fbeckrs.1999.30088431.htm>, last access: March 23rd, 2024.

BGH, *Decision*, 20.02.2001, X ZR 9/99 (OLG Düsseldorf) – *Der Anspruch des Bestellers einer individuell auf seine Bedürfnisse zugeschnittenen Software auf Lieferung einer zum Betrieb der Software erforderlichen Dokumentation wird grundsätzlich erst mit dem Abschluss der Arbeiten an dem Programm fällig*: BeckRS 2001, 2939, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2001%2Fcont%2Fbeckrs.2001.02939.htm>, last access: March 21st, 2024.

BGH, *Decision*, 24.10.2002, I ZR 3/00 (Frankfurt a.M.) – *Angemessene Klausel in Softwarelizenzvertrag - CPU-Klausel*: BeckRS 2003, 2461, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2003%2Fcont%2Fbeckrs.2003.02461.htm>, last access: March 31st, 2024.

BGH, *Decision*, 15.11.2006, VIII ZR 3/06 (OLG Schleswig) – *Verjährungsverkürzungs-AGB in der Tierauktion - Beschaffenheitsvereinbarung „gebraucht“ im Verbraucherverkehr*: BeckRS 2006, 15201, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2006%2Fcont%2Fbeckrs.2006.15201.htm>, last access: March 21st, 2024.

BGH, *Decision*, 15.11.2006, XII ZR 120/04 (LG Mühlhausen) – *Rechtsnatur der Softwareüberlassung im Rahmen eines ASP-Vertrags - Standardsoftware als Sache*: BeckRS 2006 15203, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2006%2Fcont%2Fbeckrs.2006.15203.htm>, last access: March 23rd, 2024.

BGH, *Decision*, 19.07.2012, I ZR 70/10 (OLG Brandenburg) – *Auswirkungen auf Unterlizenzen beim Erlöschen der Hauptlizenz - M2Trade*: BeckRS 2012,

- 16671, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2012%2Fcont%2Fbeckrs.2012.16671.htm>, last access: March 23rd, 2024.
- BGH, *Decision*, 27.03.2013, I ZR 93/12 (OLG Karlsruhe) – *Schutz des Unternehmenskennzeichens nur bei Verwechslungsgefahr* – Baumann: BeckRS 2013, 17211, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2013%2Fcont%2Fbeckrs.2013.17211.htm>, last access: March 21st, 2024.
- BGH, *Decision*, 17.07.2013, I ZR 129/08 (OLG München) – *Zulässigkeit des Vertriebs gebrauchter Softwarelizenzen* – *UsedSoft II*: BeckRS 2014, 2107, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2014%2Fcont%2Fbeckrs.2014.02107.htm>, last access: March 25th, 2024.
- BGH, *Decision*, 11.12.2014, I ZR 8/13 (OLG Frankfurt a.M.) – *Erschöpfung des Verbreitungsrechts an Kopien eines Computerprogramms* – *UsedSoft III*: BeckRS 2015, 10579, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2015%2Fcont%2Fbeckrs.2015.10579.htm>, last access: April 8th, 2024.
- BGH, *Decision*, 21.10.2015, I ZR 173/14 (OLG Bremen) – *Anforderungen an beiderseitige Erfüllung eines Lizenzvertrags* – *Ecosil*: BeckRS 2015, 20721, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fents%2Fbeckrs%2F2015%2Fcont%2Fbeckrs.2015.20721.htm>, last access: March 13th, 2024.
- BVerfG, *Decision*, 24.11.2004, BvR 1306/02 – *Eigentumsschutz von Internet-Domains*: NJW 2005, 589, online available at: <https://beck-online.beck.de/Dokument?vpath=bib-data%2Fzeits%2Fnjw%2F2005%2Fcont%2Fnjw.2005.589.1.htm>, last access: March 13th, 2024.
- EC Commission, *Decision*, 24.03.2004, Case COMP/C-3/37.792 Microsoft: EU:C:2004:900, online available at: https://ec.europa.eu/competition/anti-trust/cases/dec_docs/37792/37792_4177_1.pdf, last access: March 13th, 2024.
- European Court of Justice (EuGH), *Judgment*, 03.07.2012, Case C-128/11 *Used-Soft*: EU:C:2012:407, online available at: eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:62011CJ0128, last access: March 14th, 2024.

E. English Law References

Law	German, incl. Abbreviation	Online available at:
Act on Copyright and Related Rights	Urheberrechtsgesetz, UrhG	https://www.gesetze-im-internet.de/englisch_urhg/englisch_urhg.html
Act on Corporate Due Diligence Obligations in Supply Chains	Lieferkettensorgfaltspflichtengesetz, LkSG	https://www.csr-in-deutschland.de/SharedDocs/Downloads/EN/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publication-File#linkicon
Act on Legal Protection of Designs	Designgesetz, DesignG	https://www.gesetze-im-internet.de/englisch_geschmmg/englisch_geschmmg.html
Act on Liability for Defective Products	Produkthaftungsgesetz, ProdHaftG	https://www.gesetze-im-internet.de/englisch_prodhaftg/englisch_prodhaftg.pdf
Act on Unfair Competition	Gesetz gegen den unlauteren Wettbewerb, UWG	https://www.gesetze-im-internet.de/englisch_uwg/
Agreement on Trade-Related Aspects of Intellectual Property Rights, TRIPS	Übereinkommen über handelsbezogene Aspekte der Rechte des geistigen Eigentums	https://www.wto.org/english/docs_e/legal_e/27-trips_01_e.htm
Basic Law for the Federal Republic of Germany	Grundgesetz, GG	https://www.gesetze-im-internet.de/englisch_gg/
Block Exemption Regulation – Technology Transfer Agreements, TTBER	Technologie-Transfer-Gruppenfreistellungsverordnung, TT-GVO	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0316
Code of Civil Procedure	Zivilprozessordnung, ZPO	https://www.gesetze-im-internet.de/englisch_zpo/index.html
Commercial Code	Handelsgesetzbuch, HGB	https://www.gesetze-im-internet.de/englisch_hgb/index.html
Community Trade Mark	Gemeinschaftsmarke	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2424

Competition Act	Gesetz gegen Wettbewerbsbeschränkungen, GWB	https://www.gesetze-im-internet.de/englisch_gwb/index.html
Legal Protection of Computer Programs	Rechtsschutz von Computerprogrammen	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31991L0250
EC Merger Regulation	EG Fusionskontrollverordnung, FKVO	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32004R0139
EU Dual Use Regulation	EU-Dual Use Verordnung	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0821
Fundamental Principles and Rights at Work of the International Labour Organization	Kernübereinkommen der Internationalen Arbeitsorganisation	https://www.ilo.org/declaration/lang-en/index.htm#:~:text=ILO%20Declaration%20on%20Fundamental%20Principles%20and%20Rights%20at, and%20%20a%20safe%20and%20healthy%20working%20environment.
General Data Protection Regulation, GDPR	Datenschutz-Grundverordnung, DSGVO	https://gdpr-info.eu/
German Civil Code	Bürgerliches Gesetzbuch, BGB	https://www.gesetze-im-internet.de/englisch_bgb/
German Income Tax Act	Einkommenssteuergesetz, EStG	n/a
Insolvency Code	Insolvenzordnung, InsO	https://www.gesetze-im-internet.de/englisch_inso/englisch_inso.html
International Traffic in Arms Regulation. ITAR	Regelungen des internationalen Waffenhandels	https://www.pmddtc.state.gov/ddtc_public/ddtc_public?id=ddtc_kb_article_page&sys_id=24d528fddbfc930044f9ff621f961987
OECD Anti-Bribery Convention	Übereinkommen der OECD über die Bekämpfung der Bestechungsgeldzahlungen im internationalen Geschäftsverkehr	https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0293
OECD Model Tax Convention on Income and on Capital	OECD, Muster Doppelbesteuerungsabkommen	https://www.oecd.org/ctp/model-tax-convention-on-income-and-on-capital-full-version-9a5b369e-en.htm

Patent Act	Patent-rechtsgesetz, PatG	https://www.gesetze-im-inter-net.de/englisch_patg/index.html
Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks	Protokoll zum Madrider Markenabkommen, PMMA	https://www.wipo.int/wipolex/en/text/283483
Research & Development Block Exemption Regulation, R&DBER	Forschungs- und Entwicklung Gruppenfreistellungsverordnung, F&E-GVO	https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:335:0036:0042:EN:PDF
Standard Contractual Clauses for the Transfer of Personal Data to Third Countries	Standardvertragsklauseln für die Übermittlung personenbezogener Daten an Drittländer	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=%20CELEX:32021D0914
Stock Corporation Act	Aktiengesetz, AktG	https://www.gesetze-im-inter-net.de/englisch_aktg/index.html
Trade Mark Act	Markenschutzgesetz, MarkenG	https://www.gesetze-im-inter-net.de/englisch_markeng/index.html
Trademark Modernization Act	Markenmodernisierungsgesetz, MaMoG	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015L2436
Treaty on Functioning of the European Union, TFEU	Vertrag über die Arbeitsweise der europäischen Union, AEUV	eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:12012E/TXT
United Nations Convention on Contracts for the International Sale of Goods, CISG	UN-Kaufrecht	https://uncitral.un.org/sites/uncitral.un.org/files/media-documents/uncitral/en/19-09951_e_ebook.pdf
United Nations Security Council Consolidated List	Konsolidierte Liste des Sicherheitsrats der Vereinten Nationen	https://www.un.org/securitycouncil/content/un-sc-consolidated-list
UN Global Compact	Globaler Pakt der Vereinten Nationen	https://unglobalcompact.org/what-is-gc/mission/principles

U.S. Export Administration Regulation	US Exportkontrolle	https://www.bis.doc.gov/index.php/regulations/export-administration-regulations-ear
U.S. Trademark Law	U.S. Marken-gesetz	https://wipo.int/edocs/lexdocs/laws/en/us/us177en.pdf
VAT Act	Umsatzsteuergesetz, UStG	https://datenbank.nwb.de/Dokument/827178_1/

F. Abbreviations

Abbreviation	German	English
<i>AEUV</i>	Vertrag über die Arbeitsweise der europäischen Union	Treaty on Functioning of the European Union (TFEU)
<i>AG</i>	Aktiengesellschaft	Stock Company
<i>AG</i>	Amtsgericht	District Court
<i>AWS</i>	Amazon Web Services	Amazon Web Services
<i>B2B</i>	Geschäfte zwischen Unternehmen	Business to business
<i>B2C</i>	Geschäfte von Unternehmen mit Verbrauchern	Business to consumer
<i>BGB</i>	Bürgerliches Gesetzbuch	German Civil Code
<i>BGH</i>	Bundesgerichtshof	German Federal Court of Justice
<i>BVerfG</i>	Bundesverfassungsgericht	German Federal Constitutional Court
<i>CISG</i>	UN-Kaufrecht	Contracts for the International Sale of Goods
<i>CFR</i>	Sammlung der Bundesverordnungen	Code of Federal Regulations
<i>CPU</i>	Zentrale Prozessoreinheit	Central Processing Unit
<i>CSDDD</i>	Europäische Lieferkettenrichtlinie	Corporate Sustainability Due Diligence Directive
<i>DENIC</i>	Deutsches Network Information Center e.G.	German Network Information Center
<i>DesignG</i>	Designgesetz	Act on Legal Protection of Designs
<i>DPMA</i>	Deutsches Patent- und Markenamt	German Patent and Trade Mark Office
<i>DSGVO</i>	Datenschutz-Grundverordnung	General Data Protection Regulation, GDPR
<i>EC</i>	Europäische Gemeinschaft	European Community
<i>ECJ</i>	EuGH Europäischer Gerichtshof	European Court of Justice
<i>EG</i>	Europäische Gemeinschaft	European Community
<i>EstG</i>	Einkommenssteuergesetz	German Income Tax Act
<i>EU</i>	Europäische Union	European Union
<i>EuGH</i>	Europäischer Gerichtshof	European Court of Justice

<i>EUIPO</i>	Amt der Europäischen Union für geistiges Eigentum	European Intellectual Property Office
<i>FKVO</i>	Fusionskontrollverordnung	Merger Regulation
<i>F&E-GVO</i>	Forschungs- und Entwicklung Gruppenfreistellungsverordnung	Research & Development Block Exemption Regulation, R&DBER
<i>GDPR</i>	Datenschutz-Grundverordnung, DSGVO	General Data Protection Regulation
<i>GbR</i>	Gesellschaft bürgerlichen Rechts	Partnership under Civil Law
<i>GebrMG</i>	Gebrauchsmustergesetz	Utility Model Act
<i>GG</i>	Grundgesetz	Basic Law
<i>GmbH</i>	Gesellschaft mit beschränkter Haftung	Limited Liability Company
<i>GWB</i>	Gesetz gegen Wettbewerbsbeschränkungen	Competition Act
<i>HGB</i>	Handelsgesetzbuch	Commercial Code
<i>HTML</i>	Auszeichnungssprache zur Strukturierung von Webseiten	Hypertext Markup Language
<i>ILO</i>	Internationale Arbeitsorganisation	International Labour Organization
<i>InsO</i>	Insolvenzordnung	Insolvency Code
<i>iOS</i>	Apple Betriebssystem, bspw. für iPhones	Apple Operating System, e.g. for iPhones
<i>IP</i>	Geistiges Eigentum	Intellectual Property
<i>IR-Trademark</i>	International Registrierte Marke	International Registered Trademark
<i>IT</i>	Informationstechnologie	Information Technology
<i>ITAR</i>	Regelungen des internationalen Waffenhandels	International Traffic in Arms Regulation
<i>LG</i>	Landgericht	District Court
<i>LkSG</i>	Lieferkettensorgfaltspflichtengesetz	Act on Corporate Due Diligence Obligations in Supply Chains
<i>MarkenG</i>	Markenschutzgesetz	Trade Mark Act
<i>MaMoG</i>	Markenrechtsmodernisierungsgesetz	Trademark Modernization Act
<i>NDA</i>	Geheimhaltungsvereinbarung	Non-Disclosure Agreement

<i>OECD</i>	Organisation für wirtschaftliche Zusammenarbeit- und Entwicklung	Organization for Economic Cooperation and Development
<i>OLG</i>	Oberlandesgericht	Regional Appeal Court
<i>PatG</i>	Patentrechtsgesetz	Patent Act
<i>PMMA</i>	Protokoll Madrider Markenabkommen zur internationalen Registrierung von Marken	Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks
<i>ProdHaftG</i>	Produkthaftungsgesetz	Act on Liability for Defective Products
<i>R&DBER</i>	Forschungs- und Entwicklung Gruppenfreistellungsverordnung, F&E-GVO	Research & Development Block Exemption Regulation
<i>RL</i>	Richtlinie	Directive
<i>S&P 500</i>	Standard & Poor's 500 Index	Standard & Poor's 500 Index
<i>SoIS</i>	Solidaritätszuschlag	Solidarity Surcharge
<i>TFEU</i>	Vertrag über die Arbeitsweise der europäischen Union, AEUV	Treaty on Functioning of the European Union
<i>TRIPS</i>	Übereinkommen über handelsbezogene Aspekte der Rechte des geistigen Eigentums	Agreement on Trade-Related Aspects of Intellectual Property Rights
<i>TTBER</i>	Technologie-Transfer-Gruppenfreistellungsverordnung, TT-GVO	Block Exemption Regulation Technology Transfer
<i>TT-GVO</i>	Technologie-Transfer-Gruppenfreistellungsverordnung	Block Exemption Regulation Technology Transfer, TTBER
<i>UN</i>	Vereinte Nationen	United Nations
<i>UrhG</i>	Urhebergesetz	Act on Copyright
<i>UStG</i>	Umsatzsteuergesetz	VAT Act
<i>UWG</i>	Gesetz gegen unlauteren Wettbewerb	Act against Unfair Competition
<i>VAT</i>	Umsatzsteuer	Value Added Tax
<i>VO</i>	Verordnung	Regulation
<i>WIPO</i>	Weltorganisation für geistiges Eigentum	World Intellectual Property Organization
<i>WTO</i>	Welt Handelsorganisation	World Trade Organization
<i>ZPO</i>	Zivilprozessordnung	Code of Civil Procedure

G. Glossary

English	German
Corporation Tax	Körperschaftsteuer
Exhaustion Theory	Erschöpfungstheorie
Freedom of Contract	Vertragsfreiheit
Industrial Property Rights	Gewerblicher Rechtsschutz
Law of Obligations	Schuldrecht
Municipal Tax Rate	Hebesatz
Software Provisioning	Software-Überlassung
Trade Tax	Gewerbesteuer
Transfer Agreement	Überlassungsvertrag
Union Trademark	Unionsmarke
Value-Added Tax	Umsatzsteuer
Withholding Tax	Quellensteuer

H. Annexes

Annex I: Decision Matrix	109
Annex II: Management Summary, Checklist	111
Annex III: B2B License Agreement	117
Annex IV: Template Software License Agreement	118

Annex I: Decision Matrix

Criteria	Expectation	Weight	Logo Bidder 1					Logo Bidder 2					Logo Bidder 3							
			Initials assessor					Initials assessor					Initials assessor							
			AB	CD	EF	GH	Total	Comment	AB	CD	EF	GH	Total	Comment	AB	CD	EF	GH	Total	Comment
Company																				
	> X USD	10.00%	3	3	3	3	3,00													
	> Y USD	10.00%	2	3	2	2	2,25													
	part of bigger group, funding avail.	10.00%	1	2	2	2	1,75													
	Number of employees	10.00%	3	3	3	3	3,00													
	Location	10.00%	2	2	2	2	2,00													
	GmbH or similar	10.00%	2	3	2	2	2,25													
	multinational, competence, experience in resp. market/IT	10.00%	3	3	2	3	2,75													
	> 3 year; other platforms	10.00%	3	3	3	3	3,00													
	References	10.00%	2	2	2	2	2,00													
	t.b.d.	10.00%	2	2	2	2	2,00													
	Existing agreements	10.00%	3	2	2	2	2,25													
	with licensor and other customers	100%	2	3	2	2	2,43													

Rating

- 0 criteria not met
- 1 below expectation
- 2 meeting expectation
- 3 exceeding expectations

Annex II: Management Summary, Checklist

License Agreement - NAME, Contract Reference#

Logo Licensee

I. Licensee			
Name:	XY GmbH	Address:	t.b.d.
Company Description:	XY is a company founded in 2018 by specifically for the operation of ...		
Number of employees:	approx. 100	Offices:	Germany, Austria
Website:	www.xyz.com	Turnover 2023:	X MEUR
References:	list references.....		
II. Agreement, Market & Strategy			
Type of Agreement:	License Agreement	Description:	new agreement
Contract Volume:	X MEUR	Start Date:	01.01.2024
Start of Negotiation:	07/2023		
Target:	Maximise Licensee's return of investment for Licensed Product and divest of operational responsibilities, while at the same time enabling the future success of Licensed Product, also in order to benefit from remaining a user of the platform. Chosing experienced professional IT developer to provide required resources.		
Market/Competetion:	<ul style="list-style-type: none"> - Licensed Product market position - Market situation - Competitors: t.b.d. 		
Negotiation strategy:	Partnership approach, supporting the new licensee through and remaining a user of the platform; ensuring future commitment of investor by linking exclusive license to investment plan and rollout to other regions.		
Approach:	<ul style="list-style-type: none"> - Shortlisting of potential bidders - Invitation to tender shared with X companies, Y intended to participate - Z bids received - Negotiations and decision matrix - Final contract negotiations with XY 		
Negotiation Team:	Names/Organization	Others involved:	Names/Organization
III. Result			
Target Achievement:	<p>Target achieved:</p> <ul style="list-style-type: none"> - Exclusive license for a down payment of XXX € (in instalments over Y yrs, then transfer of ownership). - Professional licensee with interest in long-term success of platform and solid funding/background chosen. - Intent to introduce new features, rollout in other regions/industries and related annual investments. - Licensor receives a non-terminating, free of charge user license. Support activities will be compensated by a revenue share of X% of annual turnover (avg. ca. X € p.a.) for a minimum period of Y yrs. - No strings & responsibilities attached, quick achievement of asset deal without JV or other obligations. <p style="color: red;">Screenshot Licensed Product</p>		

License Agreement					
Legend	Target achieved				
				Minor changes negotiated and accepted	😊
				Major deviation from target/critical	😞
				Main Lever	😡
General/Scope:		Target		Achievement	Article
Title		Minimum Requirements			
Licensed Product	License Agreement for source code, object code, data, know-how, documentation and trademark of Licensed Product	non negotiable		License Agreement for source code, object code, data, know-how, documentation and trademark of Licensed Product	2, Att. 1
Purpose of Use	Right to use and exploit in accordance with documented Purpose of Use	non negotiable		Right to use and exploit in accordance with documented Purpose of Use	3, Att. 2
Lever 1): Scope of License/Exclusivity	Perpetual, exclusive, non-transferable, revocable, non-assignable, non-sublicensable, worldwide right to use, copy, adapt, transform and to decompile the Licensed Product;	exclusive, revocable, transferable to Affiliates		Perpetual, exclusive, non-transferable, revocable, non-assignable, non-sublicensable, worldwide right to use, copy, adapt, transform and to decompile the Licensed Product;	3
Delivery/Installation	Delivery in electronic form by licensor, licensee responsible for installation and operation, licensee bears risks, notification about installation in writing, in case of breach return and deletion	t.b.d.		Delivery in electronic form by licensor, licensee responsible for installation and operation, licensee bears risks, notification about installation in writing, in case of breach return and deletion	4
Lever 2d): Support by Licensor	Support in exchange for annual revenue share (min. period 5 yrs, automatic extension if not terminated); English software documentation and user manual, electronic transmission; X training days at Licensor's facility	support for min. 3 years		Support in exchange for annual revenue share (min. period 5 yrs, automatic extension if not terminated); English software documentation and user manual, electronic transmission; X training days at Licensor's facility	5

Transfer of Existing Users on Platform	In accordance with European General Data Protection Regulation and German Data Protection Act; controller to controller agreement in Attachment	non negotiable	In accordance with European General Data Protection Regulation and German Data Protection Act; controller to controller agreement in Attachment	5, Att. 4	😊
Rollout Plan	Other industries and regions beyond Europe (North America and Asia) shall be targeted within a period of Y Calendar Years, marketing invest X€	reasonable efforts	Licensee shall apply reasonable efforts to roll out in particular in North America and Asia	6	😐
Lever 2c): Investment Plan	Average amount of X€ per Calendar Year invested into Licensed Product	reasonable efforts	To support feature development, rollout and operations, Licensee will dedicate necessary and reasonable expenses and staff; furthermore reasonable marketing and sales efforts will be executed	6	😐
Lever 2c): New Features	To be evaluated, adopted, refined, upgraded and developed further or from beginning as listed; average amount of X€ per Calendar Year invested	reasonable efforts	To be evaluated, adopted, refined, upgraded and developed further or from beginning as listed; can be prioritized and/or modified depending on market expectations and customer feedback; reasonable efforts	6, Att. 2	😐
Use of Trademark	Licensee shall aim to continue operations of the platform under the name of Licensed Product and target to secure it with a trademark and other appropriate intellectual property forms	t.b.d.	Licensee shall aim to continue operations of the platform under the name of Licensed Product and target to secure it with a trademark and other appropriate intellectual property forms	6	😊
Commercial:					
Lever 2a): Fixed License Fee	Z annual installments (Y€ each) totalling X €, excl. VAT	3 annual installments (Y€ each) totalling X €, excl. VAT	Z annual installments (Y€ each) totalling X €, excl. VAT	7	😊
Lever 2b): Variable Success Contribution	X% of total revenue p.a. for duration (min. period 5 yrs, thereafter automatic extension) of Licensor support as per Art. 5	X% of total revenue p.a. for duration (min. period 3 yrs)	X% of total revenue p.a. for duration (min. period 5 yrs, thereafter automatic extension) of Licensor support as per Art. 5	7	😊
Payment Terms	On due date or 30 Days after receipt of confirmation of calculation	60 Days after due date	On due date or 30 Days after receipt of confirmation of calculation	7	😊

Other Commercial Aspects (Back License)	perpetual, non-exclusive, transferable, irrevocable, assignable, sublicensable, worldwide, unlimited, free of charge user license to Licensor; no obligation for exclusive usage	perpetual, non-exclusive, non-transferable, irrevocable, non-assignable, sublicensable to Affiliates, worldwide, unlimited, free of charge	7	😊
Legal:				
Title	Title to the Licensed Product shall pass to Licensee upon completed payment of the license fee.	t.b.d.	8	😊
Rights in Case of Defects	Substantially in accordance with product description, no rights for minor or immaterial deviations at time of delivery; no upgrades or updates; limited to 12 months after delivery; notification in writing	t.b.d.	9	😊
Rights in Case of Defects in Title	Licensed Product free from third party rights which prevent usage; if third party substantiates any rights, Licensor shall apply reasonable efforts to defend the licensed rights; prompt written notification by Licensee; additional rights may be acquired or Licensed Product changed or replaced	t.b.d.	10	😊
Liabilities/Damages	Licensor liable for intentional or gross negligent conduct; in accordance with German Product Liability Act for product liability; no liability for indirect or consequential damages	t.b.d.	11	😊

Indemnification	Licensee to indemnify and hold harmless Licensor, its directors, officers, employees, agents and subcontractors from and against all claims of third parties related to damages, loss or injury arising out of or in connection caused by violation of contractual obligation	non negotiable	Licensee to indemnify and hold harmless Licensor, its directors, officers, employees, agents and subcontractors from and against all claims of third parties related to damages, loss or injury arising out of or in connection caused by violation of contractual obligation	12	😊
Force Majeur	Neither party obliged to perform or liable for reasons beyond party's reasonable control; right to withdraw for Licensor	t.b.d.	Neither party obliged to perform or liable for reasons beyond party's reasonable control; right to withdraw for Licensor	13	😊
Confidentiality	both Parties: agreement and negotiations; licensee: business, technical and strategic data; licensee obliged to adhere to IT data protection, unlimited term	t.b.d.	both Parties: agreement and negotiations; licensee: business, technical and strategic data; licensee obliged to adhere to IT data protection, unlimited term	14	😊
Use of other Party's Name or Logo	After written consent	t.b.d.	After written consent	14	😊
Effective Date / Termination	Effective date: to be specified; termination for substantial reason, e.g. breach of corporate social responsibility, compliance regulations, bankruptcy	t.b.d.	Effective date: to be specified; termination for substantial reason, e.g. breach of corporate social responsibility, compliance regulations, bankruptcy	16	😊
Corporate Social Responsibility	Adherence to principles of UN Global Compact, and ILO as well as Supply Chain Act linked to termination and audit rights	non negotiable	Adherence to principles of UN Global Compact, and ILO as well as Supply Chain Act linked to termination and audit rights	17	😊
Compliance Regulation	No bribery or corruption as defined by OECD linked to termination and audit rights	non negotiable	No bribery or corruption as defined by OECD linked to termination and audit rights	18	😊
Trade Control	Compliance with applicable export/import and sanction laws and regulations incl. U.S. and UN	applicable to both parties, not only licensee	Compliance with applicable export/import and sanction laws and regulations incl. U.S. and UN	19	😊

No Agency	No partnership or joint venture, no party representing other party	non negotiable	No partnership or joint venture, no party representing other party	20	😊
Audit	Audit rights for compliance with Article 3, 17, 18, 19; cost clarified	addition of advance information or conduct only during business hours	Audit rights for compliance with Article 3, 17, 18, 19; cost clarified	21	😊
Law / Jurisdiction	German law, courts of Hamburg; CISG excluded	mediation included	German law, courts of Hamburg; CISG excluded	22	😊
Waiver and Severability	unlawful provisions shall be substituted, remainder remains in full force No assignment without prior written Licensor consent, Licensor may assign to affiliate	non negotiable	unlawful provisions shall be substituted, remainder remains in full force No assignment without prior written Licensor consent, Licensor may assign to affiliate	22	😊
Assignment	This Agreement is entire agreement, no other verbal agreements during negotiation included, if not added by an amendment and signed mutually	t.b.d.	This Agreement is entire agreement, no other verbal agreements during negotiation included, if not added by an amendment and signed mutually	22	😊
Entire Agreement	Section I - III of this Agreement prevails over Attachments unless explicitly stated Standard terms and conditions of the Parties expressly excluded	non negotiable	Section I - III of this Agreement prevails over Attachments unless explicitly stated Standard terms and conditions of the Parties expressly excluded	22	😊
Order of Precedence	Only by signed amendments	non negotiable	Only by signed amendments	22	😊
Exclusion of General Terms and Conditions					
Alteration					
Other:					
No Competition	competition not to be prevented within this agreement	No non-compete clause preventing Licensor from entering into similar business	No non-compete clause included preventing Licensor from entering into similar business	n/a	😊

Annex III: B2B License Agreement

Logo Licensors

Logo Licensee

License Agreement

Contract Reference: SW2024/123

Between

XY AG

t.b.d.

Germany

(hereinafter referred to as 'XY' and/or 'Licensor')

and

YZ GmbH

t.b.d.

Austria

(hereinafter referred to as 'YZ' and/or 'Licensee')

Licensor initials:

Licensee initials:

TABLE OF CONTENTS

Page

SECTION I: GENERAL	5
1. DEFINITIONS AND ABBREVIATIONS.....	5
2. SCOPE OF THIS AGREEMENT	7
3. GRANT OF RIGHTS	7
4. DELIVERY AND INSTALLATION OF THE LICENSED PRODUCT	8
5. SUPPORT TO LICENSEE.....	9
6. INTENDED USE OF LICENSED PRODUCT	10
SECTION II: COMMERCIAL	12
7. LICENSE FEES.....	12
SECTION III: LEGAL	14
8. TITLE	14
9. RIGHTS IN CASE OF DEFECTS	14
10. RIGHTS IN CASE OF DEFECTS IN TITLE.....	15
11. LIABILITY, DAMAGES	16
12. INDEMNIFICATION	17
13. FORCE MAJEURE.....	17
14. CONFIDENTIALITY	18
15. NOTICES AND COMMUNICATION	19
16. EFFECTIVE DATE AND TERMINATION	20
17. CORPORATE SOCIAL RESPONSIBILITY	21
18. COMPLIANCE REGULATION	22
19. TRADE CONTROL AND EXPORT/IMPORT COMPLIANCE.....	23
20. NO AGENCY.....	24
21. AUDITS.....	24

Licensor initials:

Licensee initials:

22.	MISCELLANEOUS.....	25
23.	SIGNATURES.....	29
	Attachment 1: Licensed Product	30
	Attachment 2: Purpose of Use	31
	Attachment 3: System Requirements	33
	Attachment 4: Controller-to-Controller Transfer of Personal Data	34

Licensor initials:

Licensee initials:

PREAMBLE

Whereas

- (A) Licenser is a leading organization in the business of; and
- (B) Licensee is an affiliated company of ... with its registered offices in ... and pursuing business in the field of; and
- (C) Licenser has developed and brought to market a software-based internet platform under the trademark ... which; and
- (D) Since software development and ... are not the core business of Licenser, Licenser intends to provide Licensee with an exclusive license for; and
- (E) Licenser remains interested in using the Licensed Product as a service and is therefore committed to supporting

Therefore, the Parties have agreed:

Licenser initials:

Licensee initials:

SECTION I: GENERAL

1. DEFINITIONS AND ABBREVIATIONS

In this Agreement, the following definitions shall apply:

Affiliate	Legal entity owned by one of the Parties, directly or indirectly controlled, for which purpose control means either ownership of more than fifty percent (50%) of the voting rights and/or share capital
Agreement	This License Agreement, including any side letters, attachments, exhibits, and annexes hereto, including all amendments and supplements to this Agreement as agreed in writing between the Parties
Calendar Day	Calendar Day is a subset of Day, relating to any Day of the week, month or year
Calendar Year	One year period beginning on January 1 st and ending on December 31 st of any year
Data	All information collected by Licensed Product and stored in related databases
Day	Calendar Day
Know-how	Information in relation to Licensed Product, including, but not limited to any business, technical, and strategic data
Licensed Product	Object Code, Source Code, Data, Know-how, trademark, and the documentation of the software-based internet platform as described in Attachment 1 ('Licensed Product')
Object Code	A version of software that a computer can read, sometimes also called 'machine-readable code'. Object Code is contrasted with Source Code

Licensor initials:

Licensee initials:

Party / Parties	Licensee (YZ) or Licensor (XY) / Licensee (YZ) and Licensor (XY) collectively
Source Code	The version of software that a human programmer can read, including but not limited to the database structure definition. The Source Code gets 'compiled' or translated into Object Code

Licensor initials:

Licensee initials:

2. SCOPE OF THIS AGREEMENT

- 2.1. Licensors has agreed with Licensee to grant Licensee a license to use and exploit the software-based internet platform set out in Attachment 1 ('Licensed Product') subject to the terms and conditions of this Agreement.
- 2.2. The Licensed Product comprises of the Source Code, the Object Code, Data, Know-how, trademark and the related documentation in accordance with Attachment 1 ('Licensed Product').

3. GRANT OF RIGHTS

- 3.1. Licensors hereby grants to Licensee the **perpetual, exclusive, non-transferable, revocable, non-assignable, non-sublicensable** right to use, to copy, to adapt and transform, and to decompile the Licensed Product **without limitation in time, manner or place** subject to the terms of this Agreement.
- 3.2. The right to use and exploitation is limited to the purposes described in Attachment 2 ('Purpose of Use').
- 3.3. The right to copy the Licensed Product granted to Licensee herein is limited to the installation of the Licensed Product on a computer system, in particular a data center on a dedicated server or in a cloud infrastructure, which is in Licensee's immediate possession or via a recognized and quality certified IT services provider, in order to fulfill the Purpose of Use as well as to the right for an authorized person to make a copy for security backup purposes, as stated in sec. 69d para. (2) UrhG (German Copyright Act). Licensee is entitled to make the software publicly available for use by its potential customers as described in Attachment 2 ('Purpose of Use').
- 3.4. The right to decompile the Licensed Product granted to Licensee herein is only granted under the terms of sec. 69e para. (1) nos. 1 to 3 UrhG and within the limits of sec. 69e para. (2) nos. 1 to 3 UrhG.

Licensors initials:

Licensee initials:

- 3.5. No more extensive rights to use and exploit the Licensed Product are granted to Licensee.

4. DELIVERY AND INSTALLATION OF THE LICENSED PRODUCT

- 4.1. Licensors shall deliver the Licensed Product for the exercise of the rights to use and exploit granted to Licensee herein in machine readable form at its option either stored on a type of data storage media in common use at the time or transferred by remote data transfer. The Parties agree Licensors' registered office as the place of performance for the delivery of the Licensed Product. Licensee shall bear all costs and risks related to such delivery. Upon transfer of the Licensed Product, the risk of transportation (particularly the risk of accidental loss or destruction) of the Licensed Product passes to Licensee.
- 4.2. Licensee is responsible for providing the system environment in accordance with the system requirements set forth in Attachment 3 ('System Requirements').
- 4.3. The Licensed Product shall be installed by Licensee. Licensee must notify Licensors in writing of the respective installation locations of the copies of the Licensed Product. This shall also apply to any later change of installation locations.
- 4.4. Upon breach of contract by Licensee, in particular on default of payment, Licensors shall be entitled to require at Licensee's expense the return of the Licensed Product in which Licensors has retained ownership, or if applicable, to demand the assignment of Licensee's right of return against third parties. In such case upon Licensors' request Licensee shall confirm in writing that no copies of the Licensed Product thereof were retained and that all installations of the Licensed Product have been irrevocably deleted from Licensee's or third party's systems. Before the unconditional transfer of ownership, Licensee shall only dispose of rights in the Licensed Product with the written consent of Licensors.

Licensors initials:

Licensee initials:

5. SUPPORT TO LICENSEE

5.1. Training

Upon Licensee's request Licensor shall provide Licensee with training (2 Days) on the Licensed Product. This training shall be executed within 180 Days from the Effective Date and shall take place at Licensor's facilities or such other location as may be mutually agreed upon. The training shall be held in English.

5.2. Technical Documentation

Licensor shall supply Licensee at no additional cost with the software documentation and user manual of the Licensed Product in English as electronic document within 30 Days after signature of this Agreement. Providing a manual constitutes one of the key obligations of licensor.³²³

5.3. Transfer of Users

Data of users, which are registered in the Licensed Product in the moment of delivery shall be transferred into Licensee's control in accordance with the applicable data protection laws, in particular the European General Data Protection Regulation and the German Data Protection Act. Therefore, Licensee and Licensor shall comply with Attachment 4 ('Controller-to-Controller Transfer of Personal Data') and Licensor will inform the users about the transfer of the ownership of the Licensed Product and allow for users wishing to terminate their accounts to do so in accordance with the Terms and Conditions of the Licensed Product. Licensee is obliged to process personal data strictly in accordance with the data processing notice and the applicable data protection law. After the transfer and the written affirmation of Licensee that the transfer was successful, Licensor is obliged to delete the user data, unless binding legal retention periods or limitation periods agreed in the relevant contract with the user or applicable from binding law require or entitle Licensor to retain such data. If so, then Licensor shall block the

323

Licensor initials:

Licensee initials:

data against any further use and delete such data upon expiry of the retention and limitation periods.

5.4. Other Areas of Support

Licensor shall support Licensee **with the testing of newly introduced features** to the Licensed Product by Licensee **for a time period of five Calendar Years**. In the event neither Party terminates the support services with three months written notice towards the end of **the fifth** Calendar Year, the support services shall continue for an indefinite term. Both Parties are entitled to terminate the support services during the indefinite term with three months written notice towards the end of a Calendar Year.

6. INTENDED USE OF LICENSED PRODUCT

- 6.1. As Licensed Product is currently only available in Europe, Licensee intends to roll out Licensed Product respectively the Licensed Product to other regions beyond Europe whereby in particular North America and Asia shall be targeted. In this regard and as it is in the interest of Licensee, Licensee will apply **reasonable efforts** as Licensee shall not have the obligation to extend the reach of Licensed Product.
- 6.2. In order to support, operate and enhance the Licensed Product as described in Attachment 2 ("Purpose of Use") Licensee will dedicate to the Licensed Product the **necessary and reasonable expenses** and staff to properly operate the Licensed Product. Furthermore, Licensee will execute **reasonable sales and marketing activities** for the Licensed Product.
- 6.3. New features described within Attachment 2 ("Purpose of Use") will be evaluated, adopted, refined, upgraded and developed further or from beginning as listed ~~depending on market expectations and customer feedback.~~ **Necessary and reasonable expenses** for such development plans will be assigned ~~but may be prioritized and/or modified accordingly.~~
- 6.4. Licensee shall aim to continue operations of the platform under the name

Licensor initials:

Licensee initials:

XYZ and target to secure it with a trademark and other appropriate intellectual property forms within the respective region of operations under his own name. In case this is not achievable, Licensee can change the name of the platform according to their preferences with such one, which allows for such intellectual property registration. The name change can be done also partially with respect to different regions of operations (USA, Asia, other markets). For the avoidance of doubt, it is licensee's obligation to secure a domain name for the web accessibility of the platform.

Licensor initials:

Licensee initials:

SECTION II: COMMERCIAL

7. LICENSE FEES

7.1. The license fees owed by Licensee to Licensor for the grant of rights hereunder are as defined below. The license fees represents

7.1.1. a one-time license fee: **five** annual instalments totalling **X**€

7.1.1.1. **Y**€ due with transfer of Licensed Product or at the latest **1.1.2024**

7.1.1.2. **Y**€ due 31.12.2024

7.1.1.3. **Y**€ due 31.12.2025

7.1.1.4. **Y**€ due 31.12.2026

7.1.1.5. **Y**€ due 31.12.2027

7.1.2. An ongoing fee as percentage of the annual turnover for the duration of Licensor's support pursuant to Article 5.4

7.1.2.1. Licensee shall grant a fee in proportion to the total turnover which Licensee achieves with Licensed Product in any Calendar Year, where such total annual turnover shall be determined based on the volume of all business of whatever nature which accrues from the use of Licensed Product by customers of Licensee. The calculation shall be made on the base of the following scheme:

Y.Z (Y point Z) percent on the total annual turnover as described above.

7.1.2.2. At the end of each Calendar Year, at the latest on January 31st of the following Calendar Year, Licensee shall submit to Licensor an overview of the annual turnover achieved through the Licensed Product and the applicable fee calculation.

Licensor initials:

Licensee initials:

7.1.2.3. Licensee shall pay the relevant fee within thirty (30) Calendar Days of receipt of Licensor's confirmation of the license fee calculation.

7.1.2.4. Calculation example: Assuming licensee achieved in the Calendar Year 2025 a total turnover of 1,000,000 € with Licensed Product Assuming the calculation is based on an agreed factor of 1.5 percent of such turnover. Then Licensee owes Licensor $1,000,000 \text{ €} \times 1.5\% = 15,000 \text{ €}$ to be paid by January 31st, 2026

7.2. A **perpetual, non-transferable, non-exclusive, irrevocable, sublicensable to Affiliates, worldwide, unlimited, and free of charge user license for the Licensed Product shall be granted by Licensee to Licensor**. The Licensor thereby shall be entitled to use the Licensed Product only in accordance with the terms and conditions of Licensed Product in its respective applicable version.

7.3. If Licensee is in default of payment, the outstanding amount shall bear interest at the rate of **X** percent over the then current basic rate of interest. This shall not affect any further, more extensive rights.

7.4. All amounts stated are excluding any applicable Value Added Tax, unless explicitly stated otherwise. The current rate of statutory Value Added Tax shall be invoiced and paid in addition to all fees. Licensor shall state the rate and amount of Value Added Tax separately on the invoice.

Licensor initials:

Licensee initials:

SECTION III: LEGAL

8. TITLE

Title to the Licensed Product shall transfer upon payment in full of all license fees pursuant to Article 7.1.1. above. Until then, the Licensed Product shall remain in the sole ownership of Licensors.

9. RIGHTS IN CASE OF DEFECTS

- 9.1. In the moment of delivery, the Licensed Product provided by Licensors shall be substantially in accordance with the product description in Attachment 1 ('Licensed Product'). Rights in case of defects shall be excluded in the case of minor or immaterial deviations from the agreed or assumed characteristics as well as in the case of just slight impairment of use. The description of the Licensed Product shall not be deemed guaranteed unless separately agreed in writing. Licensors is not obliged to create and deliver any updates, upgrades or new versions.
- 9.2. If Licensee demands replacement performance because of a defect, that is present in the moment of delivery, Licensors has the right to choose between the improvement or replacement. If the defect is not cured within at least two attempts, provided that each attempt occurred within a reasonable grace period agreed between the Parties, then Licensee may, subject to the statutory prerequisites, at its option withdraw from this Agreement or reduce the price and claim damages or reimbursement of costs. Licensors is entitled at its own discretion to correct the defect by way of delivery or installation of a new program version or an update, if any.
- 9.3. Defects must be notified in writing with a comprehensible description of the error symptoms, as far as possible evidenced by written recordings, hard copies or other documents demonstrating the defects. The notification of the defect should enable the reproduction of the error.

Licensors initials:

Licensee initials:

- 9.4. Licensee's rights in case of defects are limited to twelve (12) months and to the originally submitted copy of the Licensed Product as delivered to the Licensee on the date of delivery. The period shall begin on the date of delivery of the first copy of the Licensed Product including user manuals.
- 9.5. Licensee shall inspect the delivered Licensed Product without undue delay for any transport damage and other apparent defects and preserve the appropriate evidence.
- 9.6. Any claims for damages are subject to the limitations set forth under Article 11 ('Liability, Damages').
- 9.7. Amendments or additions to the Licensed Product delivered which Licensee carries out itself or through third parties, shall cause Licensee's rights in case of defects to be cancelled, unless Licensee proves that the amendment or addition did not cause the defect. Licensors shall also not be responsible for defects, which are caused by improper use or improper operation or the use of unsuitable means of operation by Licensee.
- 9.8. Licensors may refuse to remedy defects or deliver replacements, until Licensee has paid the agreed fees to Licensors in accordance with Article 7 above, less an amount which corresponds to the economic value of the defect.

10. RIGHTS IN CASE OF DEFECTS IN TITLE

- 10.1. The Licensed Product delivered or provided by Licensors shall be free from third party rights, which prevent the use in accordance with the Agreement. Excepted from this are customary reservations of title.
- 10.2. If third parties substantiate any rights in the Licensed Product, then Licensors shall apply reasonable efforts, in order to defend the rights licensed to Licensee at its own expense against the third-party rights. Licensee shall inform Licensors in writing without delay of the claims substantiated of such rights by third parties and shall give Licensors all powers of attorney and authorizations which are necessary in order to defend the software against the third-party rights claimed.

Licensors initials:

Licensee initials:

- 10.3. If the third-party rights might be affected by the Licensed Software in its version as delivered by Licensor, then Licensee authorizes Licensor to take over the defense on Licensor's costs. If the claim of third-party rights applies to a part of the software created or adapted by Licensee after delivery, then Licensee shall carry out the defense upon its own costs. To the extent it is unclear, which element of the software might cause the third-party right infringement, then the Parties shall cooperate in carrying out the defense against the claims and support each other adequately upon their own costs. The Parties will share all information available as to support the successful defense.
- 10.4. If third party rights are actually infringed by Licensor, then the Parties shall at the their consent opt to either (i) subsequently acquire additional rights to the Licensed Product on Licensor's cost , or (ii) change or replace the Licensed Product in such a manner, that it no longer infringes the rights of third parties, provided and to the extent that this does not substantially impair the warranted functionality of the software; any costs incurred shall be borne by the Licensor
- 10.5. In all other respects Articles 9.4, 9.6 and 9.8 apply accordingly.

11. LIABILITY, DAMAGES

- 11.1. Licensor shall be liable under the terms of this Agreement only in accordance with the provisions set out below:
- 11.1.1 Licensor shall be liable for losses caused by intentional or gross negligent conduct by Licensor, its legal representatives or senior executives and for losses caused intentionally by other assistants in performance
 - 11.1.2 Licensor shall be liable in accordance with the German Product Liability Act in the event of product liability.
- 11.2. Licensor shall only be liable for loss of data during data transfer and subject

Licensor initials:

Licensee initials:

to Article 11.1 and only to the extent up to the total amount of typical recovery costs which would have arisen had proper and regular data backup measures been taken.

11.3. Under no circumstances shall the liability under this Article 11 include any indirect, incidental or consequential damages such as, but not limited to, loss of profit, loss of revenue or loss of use except for the extent of willful misconduct.

11.4. Any more extensive liability of Licensor is excluded.

12. INDEMNIFICATION

Licensee shall indemnify and hold harmless Licensor, its directors, officers, employees, agents, and subcontractors from any claims of any third party arising out of or in connection with the Licensed Product, unless the damages, loss, or other injury of such third party was caused by a violation of its contractual obligations on the part of Licensor. The indemnification includes all necessary costs, expenses, and fees incident thereto.

13. FORCE MAJEURE

13.1. Neither Party shall be under any obligation to perform this Agreement or be liable for any delay or any other breach if and to the extent that such delay or other breach is due to reasons beyond such Party's reasonable control such as but not limited to: acts of God or the public enemy, terrorism, war, insurrections or riots, blockades, fires, floods, explosions, earthquakes, storms, serious accidents, infectious disease, epidemics, pandemics, endemics or quarantine, any act or omission of government or

Licensor initials:

Licensee initials:

governmental authority, strikes or labor troubles causing cessation, slow-down or interruption of work, general hinderance in transportation, general supply shortages and interruptions ('Force Majeure').

- 13.2. In case of Force Majeure the Party affected by such Force Majeure shall immediately inform the other Party in writing about the commencement of such Force Majeure, and when such Force Majeure has ended the relevant Party shall give written notice to the other Party of its termination.
- 13.3. If Licensee is unable to perform its obligations under this Agreement due to Force Majeure, Licensor may after a reasonable time has expired since the onset of Force Majeure, withdraw from this Agreement by giving written notice to Licensee.

14. CONFIDENTIALITY

- 14.1. The Parties shall treat as strictly confidential for the term of this Agreement and thereafter, this Agreement, including the document itself as well as individual provisions contained herein. In particular each Party shall treat as strictly confidential the contents of the negotiations leading up to this Agreement. Neither Party shall disclose this Agreement or the contents of the negotiations leading up to this Agreement to any employee, third party or other person except where such disclosure is necessary in order to fulfill the obligations under this Agreement and except that Licensor as well as Licensee may disclose this Agreement and the contents of the negotiations leading up to this Agreement to an Affiliate or a subcontractor, bound by a confidentiality obligation towards Licensor respectively Licensee, providing data services.
- 14.2. Licensee shall treat as strictly confidential for the term of this Agreement and thereafter any information received in connection with this Agreement, including, but not limited to any business, technical and strategic data disclosed by Licensor, its customers or subcontractors at any time for any reason – comprising any and all such information in oral or visual form - and shall use such information solely for the performance hereunder. Licensee's

Licensor initials:

Licensee initials:

obligations of confidentiality as stipulated for in this Article shall include all necessary measures of IT data protection.

- 14.3. The confidentiality obligations above shall not apply to the extent that the Agreement or the relevant information provided hereunder was already known by the other Party or publicly known prior to its disclosure; or becomes publicly known after its disclosure without any infringement of the Agreement on the part of such Party, or must be disclosed by either Party towards third parties on the basis of statutory provisions or instructions given by public authorities
- 14.4. The disclosure of any documents, data, and other information to Licensee in connection with this Agreement shall not be construed as a grant or transfer of any rights, in particular but not limited to intellectual and industrial property rights such as patents or copyrights nor a permission to use such documentation, data or other information except for the purposes required by this Agreement.
- 14.5. None of the Parties will use the other Party's name or the other Party's logo in any press release or product advertising, or for any other promotional purpose, without first obtaining that other Party's written consent.

15. NOTICES AND COMMUNICATION

- 15.1. Unless otherwise stipulated in Article 15 below or elsewhere in this Agreement, all communication required under this Agreement shall be addressed to Licensor as follows:

XY AG

t.b.d.

Germany

to Licensee as follows:

YZ GmbH

t.b.d.

Austria

Licensor initials:

Licensee initials:

- 15.2. Neither Party may claim that the other Party has received any message or correspondence if addresses other than those specified in accordance with this Article 15 ('Notices and Communications') or as otherwise stipulated in writing by the respective Party have been used unless it had been actually received by the right person.

16.EFFECTIVE DATE AND TERMINATION

- 16.1. This Agreement becomes effective on ... ('Effective Date'). The Attachments to this Agreement shall become effective from the same date or the date expressly specified therein.
- 16.2. Unless explicitly specified otherwise in this Agreement, this Agreement may only be terminated by any Party for substantial reasons. In case the breach can be cured, and it is reasonable to expect the Party, which is not in breach to grant the Party in breach a remedy period, the Party in breach shall be entitled to cure such Breach within a reasonable time.
- 16.3. Licensor shall – under application of Article 16.2 sentence 2 - in particular be entitled to such termination for substantial reason, such as but not limited to:
- if Licensee is in breach of obligations under Article 17 ('Corporate Social Responsibility'),
 - if Licensor gains knowledge that Licensee is not compliant with competition regulations and/or is in breach of his obligations according to Article 18 ('Compliance Regulation').
 - If Licensee is in breach of obligations according to Article 19 ('Trade Control and Export/Import Compliance')
 - If Licensee becomes bankrupt and payment of fees under Article 7 ('License Fees') are still due.

Licensor initials:

Licensee initials:

17. CORPORATE SOCIAL RESPONSIBILITY

In terms of a major contractual obligation Licensee undertakes to comply with the ten principles of UN Global Compact and four fundamental principles of International Labour Organization (ILO) and the following precepts and prohibitions:

prohibition of child labor; prohibition of forced labor and all forms of slavery, exploitation, humiliation and abuse; prohibition of disregard for occupational safety and health and protection from work-related health hazards; disregard for freedom of association and the right to collective bargaining; prohibition of unequal treatment in employment; prohibition of the withholding of an adequate living wage; prohibition of the destruction of natural resources through environmental pollution; prohibition of unlawful infringement of land rights; prohibition of the commission or use of private or public security forces which, due to a lack of instruction or control, may lead to harm to life and limb; prohibition of any act or omission in breach of duty to act that goes beyond the foregoing and which is directly likely to impair, in a particularly serious manner, a protected legal position within the meaning of section 2 paragraph 2 of the Supply Chain Act and the unlawfulness of which is obvious upon reasonable assessment of all the circumstances in question; prohibition of the production, use and/or disposal of mercury pursuant to the Minamata Convention; prohibition of the production and/or use of substances within the scope of the Stockholm Convention (persistent organic pollutants - POPs) as well as the non-environmentally sound handling of wastes containing POPs; prohibition of the import or export of hazardous wastes within the meaning of the Basel Convention.

If Licensor requests information from Licensee in context of its risk analysis to be carried out under the Supply Chain Act to identify or assess human rights or environment-related risks, Licensee shall provide Licensor adequately with the required information to the extent permitted by applicable

Licensor initials:

Licensee initials:

law or contractual obligations. Licensee agrees that for the purposes of its risk analysis, Licensor transfers relevant information on the contractual relationship with Licensee to a third party specialized on risk analysis that processes the information on behalf of Licensor.

If Licensee discovers or otherwise becomes aware of a potential violation of human rights or environment related obligations in its own business operations in relation to the provision of services to Licensor, it shall be obliged to inform Licensor thereof and the measures it has taken consequently.

Licensee shall cooperate with Licensor and support Licensor with best efforts to implement the measures required by the Supply Chain Act with a view to terminating, preventing, and minimizing human rights and environment-related risks and violations, particularly the implementation of required preventive and remedial measures.

Licensor expects Licensee to demand such compliance also from Licensee's Subcontractors.

18. COMPLIANCE REGULATION

Licensee represents, warrants and undertakes, as appropriate, that:

- a) this Agreement and the relationship created hereby as well as Licensee's activities hereunder do not and will not infringe any statutory regulations concerning bribery and/or corruption, including but not limited to the OECD (Organization for Economic Co-operation and Development) Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the related implementing legislation and do not result in an infringement of such regulations on the part of Licensor and further warrants that, in connection with the provision of the services or any of them, Licensee will duly observe at all times throughout the period of this Agreement all applicable laws and the terms of this Agreement,

Licensor initials:

Licensee initials:

- b) neither Licensee nor, to Licensee's knowledge, any other person, including but not limited to employees or agents of Licensee has, either directly or indirectly, offered or will offer a monetary payment or benefit in kind, a loan, gift, donation or any other asset of value in favor of a person in charge or an employee of a government body, state authority or state agency, state-owned enterprise, international government organization, political candidate or political party or official of such party or a person acting in an official capacity for the above named persons or another person with the intention to obtain an unlawful advantage.

19. TRADE CONTROL AND EXPORT/IMPORT COMPLIANCE

Licensee (The Parties) hereby acknowledge(s) that the export, re-export, import, shipment, purchase, sale, transfer or delivery of any item, software and/or technical documentation under this Agreement may be subject to applicable export, import and sanction laws and regulations (in their most current version), including but not limited to Germany, the European Union, the United States (as stipulated in the U.S. Export Administration Regulations (EAR), 15 CFR Parts 730-774, or in the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120-130), the United Nations (as stipulated the United Nations Security Council Consolidated List), and those of other relevant foreign jurisdictions (collectively hereinafter referred to as "Trade Control Laws"). Licensee warrants that neither itself nor any of its Subsidiaries are listed on any applicable sanctioned party list or controlled by a sanctioned person. If at any time following the entry into force of this Agreement Licensee or any of its Subsidiaries becomes a sanctioned person Licensee shall promptly notify Licensor. Licensee further acknowledges its respective obligation to comply fully with applicable Trade Control Laws in connection with the performance of this Agreement. The Parties agree to support each other in ensuring compliance with applicable Trade Control Laws by providing information, documents or certificates required by the other Party or relevant authority at no additional cost.

Licensor initials:

Licensee initials:

20. NO AGENCY

Nothing in this Agreement creates, implies, or evidences any partnership or joint venture between the Parties, or the relationship between them of principal and agent. None of the Parties has any authority to make any representation or commitment, or incur any liability, on behalf of any other.

21. AUDITS

In the event that Licensor has reasonable suspicion that Licensee (including its subcontractors) is in breach of its obligations according to this Agreement such as but not limited to compliance in Articles 3 ('Grant of Rights'), 17 ('Corporate Social Responsibility'), 18 ('Compliance Regulation') or 19 ('Trade Controls and Export/Import Compliance'), Licensor shall have the right, in accordance with the following provisions, to conduct an audit within Licensee's organization to the extent necessary to determine whether a breach exists. Licensee shall also allow Licensor or an agent of Licensor to audit whether Licensee's use of the Licensed Product is consistent with the rights granted to Licensee herein upon request by Licensor and provided there is a legitimate interest therein and to give full co-operation to Licensor or its agent carrying out such audit. Each Party shall bear its own costs for the audits unless culpable breaches of Licensee's contractual obligations are identified in the course of the audit. In this case, Licensee shall reimburse Licensor for all audit costs incurred and other related expenses. Except for cases of justified urgency, Licensor shall announce to Licensee such audit with a fourteen (14) Days prior written notice. Licensor, or a third party engaged by Licensor which is bound to confidentiality, may conduct the audit at Licensee's premises during Licensee's ordinary business hours.

Licensor initials:

Licensee initials:



22. MISCELLANEOUS

22.1. Law

This Agreement and any legal matters that may arise out of or in connection with this Agreement shall be subject to and construed exclusively in accordance with the laws of the Federal Republic of Germany excluding German law's conflict of law rules and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

In the event of any conflict of the English legal meaning and the German legal meaning of this Agreement or any part thereof the German legal meaning shall prevail.

Mediation

- (1) The Parties agree to enter into a mediation in case of dispute in relation to the Agreement prior to going to court. The mediation shall follow the following rules  (e.g. as laid out by Europ. Berufsverband Mediation)
- (2) The mediation shall be confidential
- (3) The mediation starts with one Party asking the other Party in writing to specify the subject of dispute
- (4) If the Parties cannot agree mutually on a mediator, then a mediator will be appointed by  (e.g. Europ. Berufsverband Mediation) 14 Days after the request.
- (5) The legal recourse is not allowed for the period of the mediation and until a formal declaration of the mediator about the failure of the mediation has been issued. Statutory limitation remains inhibited until then. Urging preliminary ruling procedures remain unaffected.

22.2. Jurisdiction

22.2.1. The courts of Frankfurt, Germany shall have jurisdiction. In case of any claims against Licensor, this jurisdiction shall be exclusive.

22.2.2. Nothing in this Article 22.2 ('Jurisdiction') shall limit the right of Licensor to bring proceedings against Licensee in connection with

Licensor initials:

Licensee initials:

this Agreement in any other court of competent jurisdiction or concurrently in more than one jurisdiction.

- 22.2.3. Licensee has named the following person as its authorized representative to accept service of judicial documents and shall notify Licensor in writing of any changes and shall appoint another representative if necessary:

Name, Surname:

Street:

City:

Germany

Phone-No:

Fax-No:

22.3. Waiver and Severability

Failure by either Party to enforce any of the provisions of this Agreement shall not be construed as a waiver of such provisions.

If any of the provisions of this Agreement are held unlawful or otherwise ineffective by any court of competent jurisdiction, the remainder of this Agreement shall remain in full force and the unlawful or otherwise ineffective provision shall be substituted by a new provision mutually agreed upon by Licensor and Licensee reflecting the intent of the provision so substituted.

22.4. Assignment

In addition to any other statutory or contractual right of assignment, Licensor may assign its rights and obligations under this Agreement in total or in part to any of its Affiliates. Licensee shall be informed about such assignment duly in advance. The assignee shall perform the obligations under the Agreement in the quality and standards and in accordance with the terms and conditions laid down in this Agreement. Any other assignment of rights or obligations arising from the Agreement shall require the prior approval in written form of the other Party.

Licensor initials:

Licensee initials:

22.5. Notification of Changes

Any changes or alterations, including change of address, ownership, company name, organization, approval etc. shall be immediately notified in writing to the addressee stipulated in Article 15 ('Notices and Communication').

22.6. Entire Agreement

This Agreement and its Attachments constitute the entire agreement reached between the Parties with respect to the subject matter hereof. Any writings or oral agreements reached during the negotiations or during the period of this Agreement shall not be binding upon either Party unless documented and altered in accordance with Article 22.9 ('Alteration'). The Parties are only bound by agreement in writing. Nothing shall be regarded as agreed, until everything has been agreed.

22.7. Order of Precedence

In the event a provision in an attachment, exhibit, annex to this Agreement or letter agreement relating to this Agreement deviates from any provision of Section I – III of this Agreement, such attachment, exhibit, annex, or letter agreement shall prevail only if it explicitly refers to the Article and provision of Section I – III it intends to deviate from. In all other cases the provisions of Section I – III of this Agreement shall prevail.

22.8. Exclusion of General Terms and Conditions

The Parties acknowledge that pursuant to current practices, standard quotation forms, purchase orders and other forms (including terms and conditions contained in catalogues) are often utilized, which contain terms and conditions intended to be applicable to a purchase and sale between a buyer and a seller. Licensor and Licensee agree that, except as expressly provided in this Agreement, no such terms and conditions as appear on such standard forms or catalogues shall become part of this Agreement, despite the fact that such forms may be utilized by representatives of one or both Parties or accepted by the other without objection. It is the specific intent of the Parties that this Agreement shall prevail over any such form

Licensor initials:

Licensee initials:

and that no modification of this Agreement shall be effective unless made in strict compliance with Article 22.9 ('Alteration').

22.9. Alteration

This Agreement shall not be varied in terms or amended except by an instrument in writing explicitly named an amendment to this Agreement and signed by duly authorized representatives of the Parties.

22.10. Interpretation

The table of contents, section names and headings are for ease of reference only and shall not be taken into account in construing this Agreement.

22.11. Form of Agreement

Two originals of this Agreement shall be signed and executed by the Parties. One original shall remain with each Party. Each page of each original of the Agreement (including any attachments, exhibits, side letters etc.) shall be initialed by each Party. Each of the two originals shall constitute an original of this Agreement, but together the counterparts shall constitute one document.

Licensor initials:

Licensee initials:

23. SIGNATURES

For and on behalf of

XY AG:

Name: _____

Name: _____

Title: _____

Title: _____

Town, Date: _____

Town, Date: _____

Signature: _____

Signature: _____

For and on behalf of

YZ GmbH:

Name: _____

Name: _____

Title: _____

Title: _____

Town, Date: _____

Town, Date: _____

Signature: _____

Signature: _____

Licensor initials:

Licensee initials:

Attachment 1: Licensed Product

Licensed Product is a software-based internet platform, which provides digital solutions...

Licensor initials:

Licensee initials:

Attachment 2: Purpose of Use

Licensee agrees to adhere to the guidelines of promoting, operating and developing further the platform within the limitations and guidelines below. Licensee also agrees to adhere to the common good business practices, social norms, non-discrimination etiquette and fair and equal treatment of customers and clients.

DOs

- A) Licensed Product is an online platform, which represents the relationships between parties in the field of...
- B) The use of Licensed Product can be further extended for the following purposes:...
- C) Licensed Product can be applied to other business segments within the original industry as well as any other industry where the business model can be applied.
- D) Licensed Product can be used for activities as provided for by its present functionalities as well as the functionalities planned for future development. These consist of the following features: ... to be introduced by 'date' and at an invest sum of X€
- E) Licensed Product shall be rolled out according to the following rollout plan: ... supported by the following marketing activities: ... to be introduced by 'date' and at an invest sum of X€
- F) Licensed Product can be used for activities as provided for by its present functionalities as well as the functionalities planned for future development.
- G) Licensed Product can be used to collect information and data for the industry it operates at and the parties within this industry. The collection, handling and analysis of the information collected shall be in strict compliance with the applicable GDPR regulations.
- H)

Licensor initials:

Licensee initials:

DON'Ts

- A) Licensed Product shall not be used as a platform for
- B) Licensee shall not intentionally terminate Licensed Product and related services from operation or take any actions which can have such or similar effect.
- C) ...

Licensor initials:

Licensee initials:

Attachment 3: System Requirements

Licensee is responsible for providing the system environment in order to operate Licensed Product in accordance with the following system requirements:

1. Libraries and license model

t.b.d.

2. System requirements, used recourses

t.b.d.

4. Libraries and their dependencies

t.b.d.

5. Procedures for set up

t.b.d.

6.

Licensor initials:

Licensee initials:

Attachment 4: Controller-to-Controller Transfer of Personal Data

t.b.d.

Licensor initials:

Licensee initials:

Annex IV: Template Software License Agreement

Annex IV: Template Software License Agreement

Softwarelizenzvertrag – Software License Agreement³²⁴

zwischen	between
Klicken Sie hier, um Text einzugeben („Lizenzgeber“)	Klicken Sie hier, um Text einzugeben („Licensor“)
und	and
Klicken Sie hier, um Text einzugeben („Lizenznehmer“)	Klicken Sie hier, um Text einzugeben („Licensee“)

§ 1 Vertragsgegenstand

(1) Gegenstand dieses Softwarelizenzvertrags („Vertrag“) ist die Einräumung von Nutzungs- und Verwertungsrechten an der in Anlage 1 beschriebenen Software („Lizenzgegenstand“) vom Lizenzgeber an den Lizenznehmer.

(2) Der Lizenzgegenstand besteht aus dem Objektcode der Software und der in Anlage 1 beschriebenen Dokumentation.

§ 1 Scope of this Agreement

(1) Licensor has agreed with Licensee to grant Licensee a license to use and exploit the software set out in Schedule 1 („Licensed Product“) subject to the terms and conditions of this Software License Agreement („Agreement“).

(2) The Licensed Product comprises the object code of the software and the documentation in accordance with Schedule 1.

§ 2 Einräumung von Rechten

(1) Der Lizenzgeber gewährt dem Lizenznehmer hiermit das zeitlich und räumlich unbeschränkte, einfache, nicht übertragbare Recht, den Lizenzgegenstand nach Maßgabe dieses Vertrags zu nutzen, zu vervielfältigen, zu bearbeiten und zu dekompileieren.

§ 2 Grant of Rights

(1) Licensor hereby grants to Licensee the non-exclusive, non-transferable right to use, to copy, to revise and to decompile the Licensed Product without limitation in time, manner or place subject to the terms of this Agreement.

³²⁴ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, D-E, Walz, 5. Auflage, 2022, Beck online, online available at: https://beck-online.beck.de/Dokument?vpath=bib-data%2Fform%2Fwalzfbzwur_5%2Fcont%2Fwalzfbzwur.glg.gl1.htm&pos=1&hlwords=on, last access: march 21st, 2024.

(2) Das Recht zur Nutzung und Verwertung ist beschränkt auf die in Anlage 1 genannten Nutzungszwecke („Nutzungszweck“).

(3) Das Recht zur Vervielfältigung des Lizenzgegenstands ist beschränkt auf die Installation des Lizenzgegenstands auf einem im unmittelbaren Besitz des Lizenznehmers stehenden Computersystem zur Erfüllung des Nutzungszwecks und auf eine Vervielfältigung, die notwendig ist für das Laden, Anzeigen, Ablaufen, Übertragen und Speichern des Lizenzgegenstands sowie auf das Recht zur Anfertigung einer Sicherungskopie vom Lizenzgegenstand durch eine gemäß § 69d Abs. 2 UrhG hierzu berechnigte Person.

(4) Das Recht zur Bearbeitung des Lizenzgegenstands ist beschränkt auf den Erhalt oder die Wiederherstellung der vereinbarten Funktionalität des Lizenzgegenstands.

(5) Das Recht zur Dekompilierung des Lizenzgegenstands wird nur unter der Bedingung des § 69e Abs. 1 Nr. 1 bis 3 UrhG und im Rahmen des § 69e Abs. 2 Nr. 1 bis 3 UrhG gewährt.

(6) Weitergehende Nutzungs- und Verwertungsrechte am Lizenzgegenstand werden dem Lizenznehmer nicht eingeräumt.

(7) Auf Anforderung und soweit ein berechtigtes Interesse daran besteht, wird der Lizenznehmer dem Lizenzgeber oder einem von ihm beauftragten Dritten die Prüfung gestatten, ob sich die Nutzung des Lizenzgegenstands im Rahmen der hierin gewährten Rechte hält; der Lizenznehmer wird den Lizenzgeber bei der Durchführung einer solchen Prüfung nach besten Kräften unterstützen.

§ 3 Übergabe und Installation des Lizenzgegenstands

(1) Der Lizenzgeber wird dem Lizenznehmer die zur Ausübung der hierin gewährten Nutzungs- und Verwertungsrechte erforderliche Anzahl an Vervielfältigungsstücken des Lizenzgegenstands in maschinenlesbarer Form nach dessen Wahl entweder auf einem zu dem Zeitpunkt üblichen Datenträger oder per Datenfernübertragung überlassen. Der Lizenznehmer erhält die Dokumentation als elektronisches Dokument in [Englisch/Deutsch] sowie eine Kopie des Benutzerhandbuchs des Lizenzgegenstands als elektronisches Dokument in [Englisch/Deutsch]. Die Parteien vereinbaren als Erfüllungsort für die Übergabe des Lizenzgegenstands den Sitz des Lizenzgebers. Der Lizenznehmer trägt sämtliche Kosten

(7) Licensee undertakes to allow Licensor or an agent of Licensor to audit whether Licensee's use of the Licensed Product is consistent with the rights granted to Licensee herein upon request by Licensor and provided there is a legitimate interest therein and to give full co-operation to Licensor or its agent carrying out such audit.

§ 3 Delivery and Installation of the Licensed Product

(1) Licensor shall deliver the necessary number of copies of the Licensed Product for the exercise of the rights to use and exploit granted to Licensee herein in machine readable form at its option either stored on a type of data storage media in common use at the time or transferred by remote data transfer. Licensee shall receive software documentation as electronic document in [English/German] and one copy of the user manual per copy of the Licensed Product as electronic document in [English/German]. The parties agree Licensor's registered office as the place of performance for the delivery of the Licensed Product. Licensee shall bear all costs and risks related to such delivery. Upon transfer of the Licensed Product, the risk of transportation (particularly

und Risiken, die mit der Übergabe verbunden sind. Mit der Übergabe des Lizenzgegenstands geht die Transportgefahr (insbesondere die Gefahr des zufälligen Untergangs oder Zerstörung) der Kopien des Lizenzgegenstands auf den Lizenznehmer über.

(2) Der Lizenznehmer ist dafür verantwortlich, die Systemumgebung entsprechend der Anforderungen in Anlage 1 bereitzustellen.

(3) Der Lizenzgegenstand wird vom Lizenznehmer installiert. Der Lizenznehmer hat den Lizenzgeber schriftlich über die jeweiligen Installationsorte der Kopien des Lizenzgegenstands zu informieren. Dies gilt ebenso für jegliche spätere Änderung der Installationsorte.

(4) Der Lizenzgeber behält sich das Eigentum an sämtlichen Kopien des Lizenzgegenstands bis zur vollständigen Bezahlung der Lizenzgebühren vor. Im Falle der Verletzung des Vertrags durch den Lizenznehmer, insbesondere bei Zahlungsverzug, hat der Lizenzgeber das Recht, auf Kosten des Lizenznehmers sämtliche Kopien des Lizenzgegenstands, an denen sich der Lizenzgeber das Eigentum vorbehalten hat, herauszuverlangen, oder, soweit einschlägig, die Abtretung solcher dem Lizenznehmer zustehenden Rechte gegen Dritte zu verlangen. Der Lizenznehmer wird dem Lizenzgeber für diesen Fall

the risk of accidental loss or destruction) of the copies of the Licensed Product passes to Licensee.

(2) Licensee is responsible for providing the system environment in accordance with the system requirements set forth in Schedule 1. Licensed Product

(3) The Licensed Product shall be installed by Licensee. Licensee must notify Licensor in writing of the respective installation locations of the copies of the Licensed Product. This shall also apply to any later change of installation locations.

(4) All copies of the Licensed Product shall remain in the sole ownership of Licensor until the complete payment of the license fees. Upon breach of contract by Licensee, in particular on default of payment, Licensor shall be entitled to require at Licensee's expense the return of all copies of the Licensed Product in which Licensor has retained ownership, or if applicable, to demand the assignment of Licensee's right of return against third parties. In such case upon Licensor's request Licensee shall confirm in writing that no copies of the Licensed Product or copies thereof were retained and that all installations

auf Anforderung schriftlich bestätigen, of the Licensed Product have been irrevocably deleted from Licensee's or third party's systems. Before the unconditional transfer of ownership, Licensee shall only dispose of rights in the Licensed Product with the written consent of Licensor.

gültigen Eigentumsübertragung wird der Lizenznehmer nur mit vorheriger schriftlicher Zustimmung des Lizenzgebers über die Rechte an dem Lizenzgegenstand verfügen.

§ 4 Lizenzgebühren

(1) Die Lizenzgebühren für die Einräumung der herein gewährten Rechte ergibt sich aus Anlage 1. Bei den Lizenzgebühren handelt es sich um eine Einmalzahlung.

(2) Der Lizenzgeber wird die Lizenzgebühr entsprechend des in Anlage 1 enthaltenen Zahlungsplans in Rechnung stellen. Rechnungen sind ohne Abzug innerhalb von 14 Tagen nach Rechnungsdatum zur Zahlung fällig. Soweit der Lizenznehmer in Zahlungsverzug gerät, wird der ausstehende Betrag mit 8 Prozentpunkten über dem jeweils gültigen Basiszinssatz verzinst. Dies lässt die Geltendmachung weiterer Rechte unberührt.

(3) Vorbehaltlich einer ausdrücklich abweichenden Regelung verstehen sich

§ 4 Licence Fees

(1) The licence fees owed by Licensee to Licensor for the grant of rights hereunder are set forth in Schedule 1. The licence fees represent a one-time licence fee.

(2) Licensor will invoice the license fees to Licensee in accordance with the payment schedule set forth in Schedule 1. Invoices are payable without deduction within 14 days of the date of the invoice. If Licensee is in default of payment, the outstanding amount shall bear interest at the rate of eight percent over the then current basic rate of interest. This shall not affect any more extensive rights.

(3) All amounts stated in Schedule 1 are excluding any applicable Value

<p>sämtliche in Anlage 1 genannte Beträge als Nettobeträge, dh zuzüglich der gesetzlichen Umsatzsteuer. Der Lizenzgeber wird den Steuersatz und den Betrag der Umsatzsteuer gesondert auf der Rechnung ausweisen.</p>	<p>Added Tax, unless explicitly stated otherwise. The current rate of statutory Value Added Tax shall be invoiced and paid in addition to all fees. Licensor shall state the rate and amount of Value Added Tax separately on the invoice.</p>
---	--

§ 5 Ansprüche bei Sachmängeln

(1) Die vom Lizenzgeber überlassene Software entspricht im Wesentlichen der Produktbeschreibung entspricht. Mängelansprüche bestehen nicht bei einer unerheblichen Abweichung von der vereinbarten oder vorausgesetzten Beschaffenheit und bei nur unerheblicher Beeinträchtigung der Gebrauchstauglichkeit. Produktbeschreibungen gelten ohne gesonderte schriftliche Vereinbarung nicht als Garantie. Bei Update-, Upgrade- und neuen Versionslieferungen sind die Mängelansprüche auf die Neuerungen der Update-, Upgrade- oder neuen Versionslieferung gegenüber dem bisherigen Versionsstand beschränkt.

(2) Verlangt der Lizenznehmer wegen eines Mangels Nacherfüllung, so hat der Lizenzgeber das Recht, zwischen Nachbesserung, Ersatzlieferung oder Ersatzleistung zu wählen. Wenn der Lizenznehmer dem Lizenzgeber nach einem ersten ergebnislos verstrichenen Frist eine weitere angemessene Nach-

§ 5 Rights in Case of Defects

(1) The software provided by Licensor shall be substantially in accordance with the product description. Rights in case of defects shall be excluded in the case of minor or immaterial deviations from the agreed or assumed characteristics nor in the case of just slight impairment of use. Product descriptions shall not be deemed guaranteed unless separately agreed in writing. In respect of updates, upgrades and the delivery of new versions, Licensee's rights in case of defects shall be limited to the new features of the update, upgrade or new version compared to the previous version release.

(2) If Licensee demands replacement performance because of a defect, Licensor has the right to choose between the improvement, replacement delivery or replacement of services. If the defect is not cured within a first time limit and Licensee has set Licensor a reasonable second time limit without success or if a reasonable number of attempts to

frist gesetzt hat und auch diese ergebnislos verstrichen ist oder wenn eine angemessene Anzahl an Nachbesserungs-, Ersatzlieferungs- oder Ersatzleistungsversuchen ohne Erfolg geblieben sind, kann der Lizenznehmer unter den gesetzlichen Voraussetzungen nach seiner Wahl vom Vertrag zurücktreten oder mindern und Schadens- oder Aufwendungsersatz verlangen. Die Nacherfüllung kann auch durch die Übergabe oder Installation einer neuen Programmversion oder eines work-around erfolgen. Beeinträchtigt der Mangel die Funktionalität nicht oder nur unerheblich, so ist der Lizenzgeber unter Ausschluss weiterer Mängelansprüche berechtigt, den Mangel durch Lieferung einer neuen Version oder eines Updates im Rahmen seiner Versions-, Update- und Upgrade-Planung zu beheben.

(3) Mängel sind durch eine nachvollziehbare Schilderung der Fehlersymptome, soweit möglich, nachgewiesen durch schriftliche Aufzeichnungen, hard copies oder sonstige die Mängel veranschaulichende Unterlagen schriftlich zu rügen. Die Mängelrüge soll die Reproduktion des Fehlers ermöglichen. Gesetzliche Untersuchungs- und Rügepflichten des Lizenznehmers bleiben unberührt.

remedy, replacement deliveries or replacement services are unsuccessful, then Licensee may, subject to the statutory prerequisites, at its option withdraw from this Agreement or reduce the price and claim damages or reimbursement of costs. The remedying of the defect may also take place through the delivery or installation of a new program version or a work-around. If the defect does not or not substantially impair the functionality, then Licensor is entitled, to the exclusion of further rights in case of defects, to remedy the defect by delivering a new version or an update as part of its version, update and upgrade planning.

(3) Defects must be notified in writing with a comprehensible description of the error symptoms, as far as possible evidenced by written recordings, hard copies or other documents demonstrating the defects. The notification of the defect should enable the reproduction of the error. This shall not affect the statutory obligation of Licensee to inspect and notify defects.

(4) Die Verjährungsfrist für Mängelansprüche beträgt [Klicken Sie hier, um Text einzugeben](#) Monate. Die Frist beginnt mit Lieferung des ersten Vervielfältigungsstücks des Lizenzgegenstands einschließlich des Benutzerhandbuchs zu laufen. Im Falle der Lieferung von Up-dates, Upgrades und neuen Versionen beginnt die Frist für diese Teile jeweils mit Lieferung zu laufen.

(5) Der Lizenznehmer untersucht die gelieferten Gegenstände unverzüglich auf eventuelle Transportschäden oder sonstige äußere Mängel, sichert die entsprechenden Beweise und tritt eventuelle Regressansprüche unter Herausgabe der Dokumente an den Lizenzgeber ab.

(6) Schadensersatzansprüche unterliegen den Einschränkungen von § 7.

(7) Beruht der Mangel auf der Fehlerhaftigkeit des Erzeugnisses eines Zulieferers und wird dieser nicht als Erfüllungsgehilfe des Lizenzgebers tätig, sondern reicht der Lizenzgeber lediglich ein Fremderzeugnis an den Lizenznehmer durch, sind die Mängelansprüche des Lizenznehmers zunächst auf die Abtretung der Mängelansprüche des Lizenzgebers gegen seinen Zulieferer beschränkt. Dies gilt nicht, wenn der Mangel auf einer vom Lizenznehmer zu vertretenden unsachgemäßen Behandlung

(4) Licensee's rights in case of defects are limited to [Klicken Sie hier, um Text einzugeben](#) months and the period shall begin on the date of delivery of the first copies of the Licensed Products including user manuals. In respect of the delivery of updates, upgrades and new versions, the period for such deliveries shall in each case begin on the date of delivery.

(5) Licensee shall inspect the delivered items without delay for any transport damage and other apparent defects preserve the appropriate evidence and assign any claims for recourse to Licensor while handing over the documents.

(6) Any claims for damages are subject to the limitations set forth under § 7.

(7) If the defect is caused by the defective products of a supplier and the supplier does not act as an assistant in performance of Licensor, rather Licensor is merely passing on a third party product to Licensee, then Licensee's rights in case of defects shall at first hand be limited to the assignment of Licensor's rights in case of defects against its supplier. This shall not apply, when the defect is caused by improper handling of the supplier's product for which Licensor is responsible. If Licensee is unable

des Erzeugnisses des Zulieferers be- to assert his rights in case of defects
ruht. Kann der Lizenznehmer seine against the supplier out of court, Licen-
Mängelansprüche gegen den Zulieferer sor's subsidiary liability for Licensee's
außergerichtlich nicht geltend machen, rights in case of defects shall remain
so bleibt die subsidiäre Mängelhaftung unaffected.
des Lizenzgeber unberührt.

(8) Änderungen oder Erweiterungen der (8) Amendments or additions to the ser-
Leistungen oder gelieferten Sachen, die vices or items delivered which Licensee
der Lizenznehmer selbst oder durch carries out itself or through third parties,
Dritte vornimmt, lassen die Mängel- shall cause Licensee's rights in case of
ansprüche des Lizenznehmers entfallen, defects to be cancelled, unless Licen-
es sei denn, der Lizenznehmer weist see proves that the amendment or ad-
nach, dass die Änderung oder Erweite- dition did not cause the defect. Licensor
rung für den Mangel nicht ursächlich ist. shall also not be responsible for de-
Der Lizenzgeber steht auch nicht für fects, which are caused by improper
Mängel ein, die auf unsachgemäße Be- use or improper operation or the use of
dienung sowie Betriebsbedingungen unsuitable means of operation by Li-
oder die Verwendung ungeeigneter Be- censee.
triebsmittel durch den Lizenznehmer
zurückzuführen sind.

(9) Der Lizenzgeber kann die Nacherfül- (9) Licensor may refuse to remedy de-
lung verweigern, bis der Lizenznehmer fects or deliver replacements, until Li-
die vereinbarte Vergütung, abzüglich ei- censee has paid the agreed fees to Li-
nes Teils, der der wirtschaftlichen Be- censee, less an amount which corre-
deutung des Mangels entspricht, an den sponds to the economic value of the de-
Lizenzgeber bezahlt hat. fect.

§ 6 Ansprüche bei Rechtsmängeln

(1) Die vom Lizenzgeber gelieferte bzw. überlassene Software ist frei von Rechten Dritter, die einer vertragsgemäßen Nutzung entgegenstehen. Hiervon ausgenommen sind handelsübliche Eigentumsvorbehalte.

§ 6 Rights in Case of Defects in Title

(1) The software delivered or provided by Licensor shall be free from third party rights, which prevent the use in accordance with the contract. Excepted from this are customary retentions of title.

(2) Stehen Dritten solche Rechte zu und (2) If third parties are entitled to such rights and they pursue these, then Lizenzgeber alles in seiner Macht Ste- censors shall do everything in its power, hende zu tun, um auf seine Kosten die in order to defend the software at its Software gegen die geltend gemachten own expense against the third party Rechte Dritter zu verteidigen. Der Li- rights claimed. Licensee shall inform Li- zenznehmer wird den Lizenzgeber von censors in writing without delay of the der Geltendmachung solcher Rechte claiming of such rights by third parties Dritter unverzüglich schriftlich unterrich- and shall give Licensor all powers of at- ten und dem Lizenzgeber sämtliche torney and authorisations which are Vollmachten erteilen und Befugnisse necessary in order to defend the soft- einräumen, die erforderlich sind, um die ware against the third party rights Software gegen die geltend gemachten claimed.

Rechte Dritter zu verteidigen.

(3) Soweit Rechtsmängel bestehen, ist (3) To the extent that there are defects der Lizenzgeber (a) nach seiner Wahl in title, Licensor is (a) entitled at its op- berechtigt, (i) durch rechtmäßige Maß- tion to either (i) take legitimate nahmen die Rechte Dritter, welche die measures to remove the third party vertragsgemäße Nutzung der Software rights, which impair the contractual use beeinträchtigen, oder (ii) deren Gel- of the software, or (ii) remedy the en- tendmachung zu beseitigen, oder (iii) forcement of such claims, or (iii) change die Software in der Weise zu verändern or replace the software in such a man- oder zu ersetzen, dass sie fremde ner, that it no longer infringes the rights Rechte Dritter nicht mehr verletzen, of third parties, provided and to the ex- wenn und soweit dadurch die geschul- tent that this does not substantially im- dete Funktionalität der Software nicht pair the warranted functionality of the erheblich beeinträchtigt wird, und (b) software, and (b) under an obligation to verpflichtet, die dem Lizenznehmer ent- reimburse Licensee for its necessary standenen notwendigen erstattungsfä- refundable costs incurred in the en- higen Kosten der Rechtsverfolgung zu forcement of legal claims. erstatten.

(4) Scheitert die Freistellung gemäß (4) If a release under para. (3) within a Abs. 3 binnen einer vom Lizenznehmer reasonable time limit set by Licensee, gesetzten angemessenen Nachfrist,

kann der Lizenznehmer unter den gesetzlichen Voraussetzungen nach seiner Wahl vom Vertrag zurücktreten oder mindern und Schadensersatz verlangen.

(5) Im Übrigen gilt § 5 Abs. 4, 6 und 9 entsprechend.

then Licensee may subject to the statutory prerequisites at its option withdraw from this Agreement or reduce of the price and claim damages.

(5) In all other respects § 5 para. (4), (6) and (9) apply accordingly.

§ 7 Haftung, Schadensersatz

(1) Der Lizenzgeber haftet nach diesem Vertrag nur nach Maßgabe der folgenden Bestimmungen in (a) bis (e):

(a) Der Lizenzgeber haftet unbeschränkt für vorsätzlich oder grob fahrlässig durch den Lizenzgeber, seine gesetzlichen Vertreter oder leitenden Angestellten verursachte Schäden sowie für vorsätzlich verursachte Schäden sonstiger Erfüllungsgehilfen; für grobes Verschulden sonstiger Erfüllungsgehilfen bestimmt sich die Haftung nach den in (e) aufgeführten Regelungen für leichte Fahrlässigkeit.

(b) Der Lizenzgeber haftet unbeschränkt für vorsätzlich oder fahrlässig verursachte Schäden aus der Verletzung des Lebens, des Körpers oder der Gesundheit durch den Lizenzgeber, seine gesetzlichen Vertreter oder Erfüllungsgehilfen.

(c) Der Lizenzgeber haftet für Schäden aufgrund fehlender zugesicherter Eigenschaften bis zu dem Betrag, der

§ 7 Liability, Damages

(1) Licensors shall be liable under the terms of this Agreement only in accordance with the provisions set out under (a) to (e):

(a) Licensors shall be unrestricted liable for losses caused intentionally or with gross negligence by Licensor, its legal representatives or senior executives and for losses caused intentionally by other assistants in performance; in respect of gross negligence of other assistants in performance Licensor's liability shall be as set forth in the provisions for simple negligence in (e) below.

(b) Licensors shall be unrestricted liable for death, personal injury or damage to health caused by the intent or negligence of Licensor, its legal representatives or assistants in performance.

(c) Licensors shall be liable for losses arising from the lack of any warranted characteristics up to the amount which

vom Zweck der Zusicherung umfasst war und der für den Lizenzgeber bei Abgabe der Zusicherung erkennbar war.

is covered by the purpose of the warranty and which was foreseeable for Licensor at the time the warranty was given.

(d) Der Lizenzgeber haftet für Produkt- haftungsschäden entsprechend der Regelungen im Produkthaftungsgesetz.

(d) Licensor shall be liable in accordance with the German Product Liability Act in the event of product liability.

(e) Der Lizenzgeber haftet für Schäden aus der Verletzung von Kardinalpflichten durch den Lizenzgeber, seine gesetzlichen Vertreter oder Erfüllungshelfen; Kardinalpflichten sind die wesentlichen Pflichten, die die Grundlage des Vertrags bilden, die entscheidend für den Abschluss des Vertrags waren und auf deren Erfüllung der Lizenznehmer vertrauen darf. Wenn der Lizenzgeber diese Kardinalpflichten leicht fahrlässig verletzt hat, ist seine Haftung auf den Betrag begrenzt, der für den Lizenzgeber zum Zeitpunkt der jeweiligen Leistung vorhersehbar war.

(e) Licensor shall be liable for losses caused by the breach of its primary obligations by Licensor, its legal representatives or assistants in performance. Primary obligations are such basic duties which form the essence of the Agreement, which were decisive for the conclusion of the Agreement and on the performance of which Licensee may rely. If Licensor breaches its primary obligations through simple negligence, then its ensuing liability shall be limited to the amount which was foreseeable by Licensor at the time the respective service was performed.

(2) Der Lizenzgeber haftet für den Verlust von Daten nur bis zu dem Betrag, der bei ordnungsgemäßer und regelmäßiger Sicherung der Daten zu deren Wiederherstellung angefallen wäre.

(2) Licensor shall be liable for loss of data only up to the amount of typical recovery costs which would have arisen had proper and regular data backup measures been taken.

(3) Eine weitere Haftung des Lizenzgebers ist dem Grunde nach ausgeschlossen.

(3) Any more extensive liability of Licensor is excluded on the merits.

§ 8 Schlussbestimmungen

§ 8 Final Provisions

- (1) Änderungen dieses Vertrags bedürfen zu ihrer Wirksamkeit der Schriftform. Dies gilt ebenso für die Änderung dieses Schriftformerfordernisses.
- (1) Amendments or additions to this Agreement must be made in writing to be effective. This shall also apply to amendments of this written form requirement.
- (2) Auf diesen Vertrag findet das Recht der Bundesrepublik Deutschland mit Ausnahme des UN-Kaufrechts (United Nations Convention on Contracts for the International Sale of Goods vom 11.4.1980) Anwendung.
- (2) This Agreement shall be governed by the laws of the Federal Republic of Germany except for the UN Sales Convention (United Nations Convention on Contracts for the International Sale of Goods dated 11.4.1980).
- (3) Die Parteien vereinbaren den Sitz des Lizenzgebers als ausschließlichen Gerichtsstand für sämtliche Streitigkeiten aus und im Zusammenhang mit diesem Vertrag, vorausgesetzt dass der Lizenznehmer ein Kaufmann im Sinne des deutschen Handelsgesetzbuchs ist oder der Lizenznehmer bei Klageerhebung keinen Sitz in der Bundesrepublik Deutschland hat.
- (3) The courts for Licensor's registered office shall have exclusive jurisdiction over all disputes under and in connection with this Agreement, provided that Licensee is a merchant within the meaning of the German Commercial Code or if upon the commencement of legal proceedings, Licensee has no place of business or ordinary residence in the Federal Republic of Germany.
- (4) Die Unwirksamkeit einzelner Regelungen dieses Vertrags lässt die Wirksamkeit der übrigen Regelungen unberührt. In diesem Fall verpflichten sich die Parteien, sich auf wirksame Regelungen zu verständigen, die wirtschaftlich dem intendierten Zweck der unwirksamen Regelungen am nächsten kommen. Dies gilt entsprechend für die Schließung etwaiger Lücken in diesem Vertrag.
- (4) Should any provision of this Agreement be or become invalid, this shall not affect the validity of the remaining terms. The parties shall in such an event be obliged to cooperate in the creation of terms which achieve such legally valid result as comes closest commercially to that of the invalid provision. The above shall apply accordingly to the closing of any gaps in the Agreement.
- (6) [Verweisung auf Wortliste: → Form. A.II.1]
- (6) [Reference to List of Terms: → form A.II.1]

Klicken Sie hier, um Text einzugeben Klicken Sie hier, um Text einzugeben
(Unterschriften der Beteiligten) (signatures of the parties)

Verweisung auf die Wortliste/Klammerbegriffe – Reference to the list of terms/terms in brackets³²⁵

Variante 1 (Verweis auf Wortliste und deutsches Recht für rein englische Texte) **Version 1 (reference to the list of terms and German law for legal text only in English)**

Dieser Text unterliegt deutschem Recht und soll nach deutschem Rechtsverständnis ausgelegt werden. Die Wortliste, die als Anlage beigefügt und als „Wortliste“ bezeichnet ist, bildet einen Teil dieses Textes und soll ebenso maßgebend sein, als ob sie innerhalb des eigentlichen Textes vereinbart wäre. Falls die Bedeutung eines englischen Begriffes der Wortliste oder eines englischen Begriffes im Text selbst von dem entsprechenden deutschen Begriff abweicht, soll der deutsche Begriff Vorrang haben.

This text shall be governed by and construed in accordance with the laws of Germany. The list of terms attached as the annex entitled „List of Terms“ forms part of this text and shall have the same full force and effect as if expressly set out in the operative part of this text. If the meaning of any English term contained in the list of terms or in this text differs from the meaning of the respective German term, the meaning of the German term shall prevail.

Variante 2 (umfassender Verweis auf Wortliste und weitere Anhänge eines Vertrages) **Version 2 (extensive reference to the list of terms and further attachments of a contract)**

³²⁵ Meents: Beck'sches Formularbuch Zivil- Wirtschafts- und Unternehmensrecht, D-E, Walz, 5. Auflage, 2022, Beck online, online available at: https://beck-online.beck.de/Dokument?vpath=bib-data%2Fform%2Fwalzfbzwur_5%2Fcont%2Fwalzfbzwur.gla.glii.gl1.htm&anchor=Y-600-W-WALZFBZWUR-GL-A-II-1, last access: March 24th, 2024.

<p>Dieser Vertrag unterliegt deutschem Recht und soll nach deutschem Rechtsverständnis ausgelegt werden. Die Wortliste, die diesem Vertrag als Anlage beigefügt und als „Wortliste“ bezeichnet ist, bildet einen Teil dieses Vertrages; sie soll (ebenso wie alle anderen Anlagen, Anhänge, einleitende Erklärungen und Verzeichnisse) ebenso maßgebend sein, als ob sie innerhalb des eigentlichen Vertragstextes vereinbart wäre. Falls die Bedeutung eines englischen Begriffes der Wortliste oder die Bedeutung eines englischen Begriffes im Text des Vertrages von dem entsprechenden deutschen Begriff abweicht, soll der deutsche Begriff Vorrang haben.</p>	<p>This agreement shall be governed by and construed in accordance with the laws of Germany. The list of terms attached to this agreement as the annex entitled „List of Terms“ forms part of this agreement and shall, as all other annexes, appendices, recitals and schedules to this agreement, have the same full force and effect as if expressly set out in the operative part of this agreement. If the meaning of any English term contained in the list of terms, or if the meaning of any English term contained in this agreement, differs from the meaning of the respective German term, the meaning of the German term shall prevail.</p>
--	--

<p>Variante 3 (notarielle Einbeziehung der Verweisungsurkunde, welche eine Wortliste enthält)</p>	<p>Version 3 (notarial inclusion of a referred to notarial deed which includes a list of terms)</p>
--	--

<p>Dieser Text unterliegt deutschem Recht und soll nach deutschem Rechtsverständnis ausgelegt werden. Die Wortliste, die hier beigefügt und als „Wortliste“ bezeichnet ist, bildet einen Teil dieses Textes und soll ebenso maßgebend sein, als ob sie innerhalb des eigentlichen Textes vereinbart wäre. Falls die Bedeutung eines englischen Begriffes der Wortliste oder eines englischen Begriffes im Text selbst von dem entsprechenden deutschen Begriff abweicht, soll der deutsche Begriff Vorrang haben.</p>	<p>This text shall be governed by and construed in accordance with the laws of Germany. The list of terms attached as the annex entitled „List of Terms“ forms part of this text and shall have the same full force and effect as if expressly set out in the operative part of this text. If the meaning of any English term contained in the list of terms or in this text differs from the meaning of the respective German term, the meaning of the German term shall prevail. The list of terms is contained in the notarial</p>
---	---

Die Wortliste ist enthalten in der Urkunde des Notars. Klicken Sie hier, um Text einzugeben, notarized by notary. Klicken Sie hier, um Text einzugeben in Text einzugeben, URNr. Klicken Sie hier, um Text einzugeben. Diese Urkunde lag bei Beurkundung vor, und zwar in beglaubigter Abschrift, und wurde den Beteiligten rechtzeitig in beglaubigter Abschrift übergeben. Auf erneutes Verlesen, Vorlage zur Durchsicht und Beifügen zu dieser Urkunde wird verzichtet. Auf die Urkunde wird verwiesen.

This notarial deed was available during the notarization as a notarial certified copy and was handed out to the parties involved in advance. They waived their rights to have the text read out anew, to peruse and to have the deed attached to this document. The notarial deed is referred to herewith.

Variante 4 (übliche Regelung zu Klammerbegriffen und deutsches Recht für rein englische Texte) **Version 4 (usual clause concerning terms in brackets for legal text only in English)**

Dieser Text unterliegt deutschem Recht und soll nach deutschem Rechtsverständnis ausgelegt werden. Soweit ein deutscher Begriff einem englischen Begriff in Klammer nachgestellt ist, soll immer dann, wenn der englische Begriff in dieser Vereinbarung verwendet wird, für die Auslegung des betreffenden englischen Begriffes der deutsche Begriff maßgebend sein.

This text shall be governed by and construed in accordance with the laws of Germany. Where a German term has been added in parenthesis after an English term, only such German term shall be decisive for the interpretation of the relevant English term whenever such English term is used in this agreement.

Variante 5 (Verbesserte Regelung zu Klammerbegriffen und deutsches Recht für rein englische Texte) **Version 5 (improved clause concerning terms in brackets for legal text only in English)**

In diesem Vertrag verwendete englischsprachige Begriffe beschreiben ausschließlich deutsche Rechtsbegriffe und dürfen nicht unter Bezugnahme auf eine Bedeutung ausgelegt werden, die ihnen

English language terms used in this Agreement describe German legal concepts only and shall not be interpreted by reference to any meaning attributed to them in any jurisdiction other

in einer anderen Rechtsordnung als der than Germany. Where a German term deutschen zukommt. Wenn ein deut- has been inserted in brackets and/or scher Begriff in Klammern und/oder kur- italics it alone (and not the English term siv eingefügt wurde, ist er allein (und to which it relates) shall be authorita- nicht der englische Begriff, auf den er tive for the purpose of the interpretation sich bezieht) für die Auslegung des be- of the relevant term whenever it is used treffenden Begriffs maßgebend, wann in this Agreement.

immer er in diesem Vertrag verwendet wird.

Wortliste	List of Terms
Anhänge	annexes
Anlagen	appendices
einleitende Erklärungen	recitals
Verzeichnisse	schedules
Vorlage zur Durchsicht	to peruse

EIKV-Schriftenreihe zum Wissens- und Wertemanagement

Jahr	Autor/ Autorin	Titel	Band
2024	Kristina-Marie Boß	Das Notfallankaufprogramm der Europäischen Zentralbank im Zusammenhang mit der COVID-19-Pandemie – eine Analyse anhand einer Fallstudie zur Refinanzierung der Region Brüssel-Hauptstadt während der PandemieKristina-	53
2024	Lucien André Reuter	Prozesse und deren Optimierungsbedarf im Weiterbildungsangebot einer postgradualen privaten Universität - gezeigt am Beispiel der DTMD University	52
2023	Rainer Walther	Gesetzliche und vertragliche Eskalationsmodelle im privatrechtlichen Bauwesen (Bauvertrag)	51
2023	Peter Florian Eder	Rechtskonformes postakquisitorisches Vorstandshandeln - Mit Fallbeispielen aus der Unternehmenspraxis	50
2023	Jana-Larissa Grzeszkowiak	Different Aspects of Internationalisation and Their Ramifications –Opportunities and Risks	49
2023	Kim Mara Müller	Samen und die Erklärung des Lebendigen Ein Vergleich von Robert Boyle und Isaac Newton	48
2022	Alexander Werner	Das Werk in Lehre, Wissenschaft und Forschung – Alte und neue Herausforderungen im Urheberrecht	47
2021	Lucian Ackva	Spannungsfeld zwischen juristischen Schutzhandlungen und reputativen Risiken gezeigt am Fallbeispiel des Rechtsstreits zwischen Deutschem Sparkassen- und Giroverband e. V. und Banco Santander S. A.	46
2021	Marcel-André Friedrich	Chancen und Risiken einer Multi-Channel-Vermarktung in zwei und dreistufigen Vertriebskanälen	45
2020	Marcus Bäumer	What matters to investment professionals in decision making? - The role of soft factors in stock selection	44
2020	Murad Erserbetci	Einführung der EU-Datenschutz-Grundverordnung: Auswirkungen und Handlungsempfehlungen für die Unternehmensbereiche, Geschäftsleitung, Personal sowie Informationstechnologie	43
2020	Sarah Holzhauer	Die Umsetzung eines inklusiven Bewerbungsprozesses für Menschen mit Behinderung	42
2020	Holger Niemitz	Sein oder Nichtsein von Patentboxen in verschiedenen Ländern im Rechtsvergleich des Steuerberaters	41

Jahr	Autor/ Autorin	Titel	Band
2020	Maximilien Petit	Management von Freiwilligen in luxemburgischen Non-Profit Organisationen - Einige Empfehlungen für die Praxis	40
2020	Jens Hoellermann	ESG in Private Equity and other alternative asset classes: What the industry has accomplished so far regarding Environmental, Social and Governance matters	39
2020	Ulrike Vizethum	Immaterielle Ressourcen, Basis der Wertschöpfung im Gesundheitswesen. Eine quantitative Analyse, gezeigt am Beispiel einer antimikrobiellen photodynamischen Therapie (aPDT) in der Zahnmedizin.	38
2020	André Reuter	Postgraduale Weiterbildung im Gesundheitswesen, gezeigt am Beispiel der DTMD University mit Beiträgen von Thomas Gergen und Ralf Rössler	37
2020	Ulrich J. Grimm	Nachweis der rechtserhaltenden Benutzung von Marken in einem internationalen Konzern Vergleich der Rechtsvorschriften und Rechtsprechung in Deutschland, der Europäischen Union, den USA sowie im Rahmen der internationalen Registrierung einer Marke (Probleme, Konsequenzen und Lösungsmöglichkeiten)	36
2020	Anne Bartel- Radic, André Reuter (Hg)	Studien zum Strategischen Management und Personalmanagement	35
2020	Diana Pereira Dias	Analyse de la phase transitoire de la loi du 3 février 2018 portant sur le bail commercial au Luxembourg	34
2019	Anne Bartel-Radic (Hg)	Méthodes de recherche innovantes et alternatives en économie et gestion - Innovative and alternative research methods in economics and business administration	33
2019	André Reuter Thomas Gergen (Hg)	Studien zum Wissens- und Wertemanagement Investment, Gesundheitswesen, Non-Profit-Organisationen, Datenschutz und Patentboxen	32
2018	Alina Bongartz	Der Einfluss der Kundenzufriedenheit auf den Unternehmenserfolg - die Wirkung von Value Added Services	31
2018	Lisa Schreiner	The Effects of Remuneration and Reward Systems on Employee Motivation in Luxembourg	30
2018	Sven Kirchens	TVA - Introduction du mécanisme de l'autoliquidation dans le secteur de la construction au Luxembourg ? Analyse et Propositions	29
2018	Romain Gennen	Die automobile (R)Evolution – das automobile Smartphone	28
2018	Désirée Kaupp	Corporate culture - an underestimated intangible asset for the information society	27
2018	Claudia Lamberti	Women in management and the issue of gender-based barriers - An empirical study of the business sector in Europe	26

Jahr	Autor/ Autorin	Titel	Band
2018	Alexander Vollmer	Überwachung von ausgelagerten Funktionen und Kompetenzen in der luxemburgischen Fondsindustrie	25
2017	Nadine Allar	Identification and Measurement of Intangibles in a Knowledge Economy - The special relevance of human capital	24
2017	Johanna Brachmann	Ist das Arbeitnehmererfindungsrecht erneut reformbedürftig? - Ein Rechtsvergleich zwischen Deutschland und Österreich, Schweiz, USA, Großbritannien	23
2017	Christophe Santini	Burn-Out / Bore-Out - Équivalences, similitudes et différences impactant la vie socio-économique des personnes concernées	22
2017	Andrea Dietz	Anti-Money Laundering and Counter- Terrorist Financing in the Luxembourg Investment Fund Market	21
2017	Sebastian Fontaine	Quo vadis Digitalisierung? Von Industrie 4.0 zur Circular-Economy	20
2017	Patrick Matthias Sprenker	RAIF – Reserved Alternative Investment Fund – The impact on the Luxembourg Fund Market and the Alternative Investment Fund landscape	19
2017	Marco Pate	Kriterien zur Kreditbesicherung mit Immaterialgüterrechten anhand der Finanzierungsbesicherung mit Immobilien	18
2016	Niklas Jung	Abolition of the Safe Harbor Agreement – Legal situation and alternatives	17
2016	Daniel Nepgen	Machbarkeitsstudie eines Audioportals für Qualitätsjournalismus. Eine empirische Untersuchung in Luxemburg	16
2016	Alexander Fey	Warum Immaterielle Wirtschaftsgüter und Intellectual Property die Quantenteilchen der Ökonomie sind	15
2016	Stefanie Roth	The Middle Management – new awareness needed in the current information society?	14
2016	Peter Koster	Luxembourg as an aspiring platform for the aircraft engine industry	13
2016	Julie Wing Yan Chow	Activity Based Costing - A case study of Raiffeisen Bank of Luxembourg	12
2016	Meika Schuster	Ursachen und Folgen von Ausbildungsabbrüchen	11
2016	Nadine Jneidi	Risikofaktor Pflichtteil - Grundlagen und Grenzen der Regelungs- und Gestaltungsmöglichkeiten von Pflichtteilsansprüchen bei der Nachfolge in Personengesellschaften	10
2016	Christian Wolf	Zur Eintragungsfähigkeit von Geruchs- und Hörmarken	9
2016	Torsten Hotop	Äquivalenzinteresse im Erfinderrecht	8
2016	Lars Heyne	Immaterialgüterrechte und Objektreplication: Juristische Risiken und Lösungsmöglichkeiten bei der Vermarktung von 3D-Druckvorlagen	7

Jahr	Autor/ Autorin	Titel	Band
2016	Dr. Sverre Klemp	Die Angemessenheit der Vergütung nach § 32 UrhG für wissenschaftliche Werke im STM-Bereich	6
2016	Irena Hank	Emotionale Intelligenz und optimales Teaming – eine empirische Untersuchung	4
2016	Tim Karius	Intellectual Property and Intangible Assets - Alternative valuation and financing approaches for the knowledge economy in Luxembourg	3
2016	Sebastian Fontaine	The electricity market reinvention by regional renewal	2
2015	Francesca Schmitt	Intellectual Property and Investment Funds	1