

# MERCHANDISE AGREEMENT

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This Merchandise Agreement (this "**Agreement**") is entered into as of [EFFECTIVE DATE] (the "**Effective Date**") by and between:

[ARTIST / RIGHTS HOLDER LEGAL NAME], an individual residing at (or an entity with its principal place of business at) [ARTIST ADDRESS] ("**Artist**"); and

[MERCHANDISER / VENDOR LEGAL NAME], a [STATE] [ENTITY TYPE] with its principal place of business at [MERCHANDISER ADDRESS] ("**Merchandiser**").

Artist and Merchandiser are each a "**Party**" and together the "**Parties**."

**Recitals.** Artist owns or controls certain names, logos, artwork, and likeness rights (the "**Property**") and wishes to engage Merchandiser to manufacture, market, and sell merchandise bearing the Property, and Merchandiser wishes to do so, on the terms below. In consideration of the mutual promises below, the Parties agree as follows.

## 1. License and Property

**1.1 Property.** "**Property**" means Artist's name, stage name, approved logos, trademarks, artwork, photographs, and likeness identified in [EXHIBIT A], as Artist may update from time to time in writing.

**1.2 License grant.** Artist grants Merchandiser a [EXCLUSIVE / NON-EXCLUSIVE], [non-transferable] license to reproduce the Property on the Licensed Products and to manufacture, advertise, distribute, and sell those products in the Territory during the Term, solely as permitted by this Agreement.

**1.3 Licensed Products.** "**Licensed Products**" means the merchandise categories listed in [EXHIBIT B] (e.g. t-shirts, hoodies, posters, hats, stickers, accessories). Products outside these categories require Artist's written approval.

**1.4 Reservation.** Artist retains all ownership of the Property and all rights not expressly licensed. No goodwill in the Property accrues to Merchandiser; all such goodwill inures to Artist.

## 2. Territory, Channels, and Term

**2.1 Territory.** This Agreement applies to the following territory (the "**Territory**"): [e.g. United States / worldwide / [REGION]].

**2.2 Channels.** Merchandiser may sell Licensed Products through the following channels: [ ] **Tour/venue (on-site)** [ ] **Direct-to-consumer online store** [ ] **Retail wholesale** [ ] **[OTHER]**. Each channel may have distinct splits in [EXHIBIT C].

**2.3 Term.** This Agreement begins on the Effective Date and continues for [DURATION, e.g. two (2) years], then [renews for successive [PERIOD] terms unless either Party gives [NUMBER] days' notice / ends unless renewed in writing].

### 3. Design Approval and Quality

**3.1 Approval.** Merchandiser will submit each product design, sample, and pre-production proof to Artist for written approval before manufacturing. Artist will approve or comment within **[NUMBER]** business days; unapproved designs may not be produced or sold.

**3.2 Quality standards.** Licensed Products will meet commercially reasonable quality standards and comply with applicable product-safety, labeling, and consumer-protection laws. Artist may inspect samples to confirm quality.

**3.3 Brand integrity.** Merchandiser will reproduce the Property accurately and will not alter, combine, or use it in a manner that could disparage Artist or imply an unapproved endorsement.

### 4. Manufacturing, Inventory, and Fulfillment

**4.1 Manufacturing.** Merchandiser is responsible, at its cost (unless **[EXHIBIT C]** states otherwise), for manufacturing, inventory, warehousing, fulfillment, and customer service for online and wholesale channels.

**4.2 On-site sales.** For tour or venue sales, the Parties will coordinate inventory, sellers, point-of-sale, and any venue hall fee. Venue hall fees and seller responsibilities are addressed in **[EXHIBIT C]**.

**4.3 Inventory reporting.** Merchandiser will maintain accurate inventory and sales records and provide Artist periodic reports of units produced, sold, returned, and on hand.

**4.4 Surplus and sell-off.** On expiration or termination, Merchandiser may sell off existing approved inventory for **[NUMBER]** days on the same terms, after which remaining branded inventory will be **[destroyed / sold to Artist at cost / handled as agreed]**.

### 5. Royalties, Splits, and Payment

**5.1 Royalty/split.** Artist will receive **[PERCENTAGE]**% of **[Net Sales / gross on-site sales after hall fee]** for the Licensed Products, as detailed by channel in **[EXHIBIT C]** (the "Artist Share").

**5.2 Net Sales.** "Net Sales" means gross revenue from sales of Licensed Products, less actual returns, refunds, chargebacks, sales taxes, and **[other agreed deductions]**. Deductions must be documented.

**5.3 \*\*Advance and minimums.\*\*** **\*\*[IF APPLICABLE:]\*\*** Merchandiser will pay a non-refundable recoupable advance of **\*\*[AMOUNT]\*\*** against the Artist Share, and guarantees minimum Artist Share payments of **\*\*[AMOUNT]\*\*** per **\*\*[PERIOD]\*\***. **\*\*]\*\***

**5.4 Statements and payment.** Merchandiser will deliver sales statements and pay the Artist Share **[monthly / quarterly]**, within **[NUMBER]** days after each period, along with supporting reports.

**5.5 Audit rights.** Artist may, on reasonable notice and no more than **[NUMBER]** times per year, audit Merchandiser's relevant records. If an audit reveals an underpayment exceeding **[PERCENTAGE]**%, Merchandiser will pay the shortfall and the reasonable cost of the audit.

**5.6 Late payment.** Undisputed amounts not paid when due accrue interest at the lesser of **[e.g. 1.5%]** per month or the maximum rate permitted by applicable law.

### 6. Intellectual Property and Enforcement

**6.1 Ownership.** All Property and all designs incorporating the Property remain Artist's exclusive property. Merchandiser assigns to Artist any rights it may acquire in design contributions that incorporate the Property, excluding Merchandiser's generic, pre-existing production templates.

**6.2 Infringement.** Each Party will promptly notify the other of any suspected infringement or counterfeiting of the Property or Licensed Products. Artist controls enforcement of its Property; Merchandiser will reasonably cooperate.

**6.3 No registration.** Merchandiser will not register or attempt to register any Property, or any confusingly similar mark, in its own name.

## 7. Representations, Warranties, and Indemnification

**7.1 By Artist.** Artist represents that it owns or controls the Property and has the right to grant this license, and that, to its knowledge, use of the Property as permitted does not infringe a third party's rights.

**7.2 By Merchandiser.** Merchandiser represents that the Licensed Products, apart from the Property, will not infringe third-party rights and will comply with applicable law.

**7.3 Indemnification.** Each Party will defend and indemnify the other against third-party claims arising from the indemnifying Party's breach of its warranties, subject to Section 8.

## 8. Limitation of Liability

**8.1 Exclusion.** Except for indemnity obligations, breach of the license scope, and a Party's gross negligence or willful misconduct, neither Party is liable for indirect, incidental, special, consequential, or punitive damages.

**8.2 Cap.** Except for the excluded matters in Section 8.1, each Party's aggregate liability will not exceed **[the Artist Share paid or payable in the prior [NUMBER] months / [AMOUNT]]**.

## 9. Termination and General Provisions

**9.1 Termination for cause.** Either Party may terminate on written notice if the other materially breaches and fails to cure within **[NUMBER, e.g. 15]** days, or upon the other's insolvency.

**9.2 Effect of termination.** On termination, the license ends (subject to the sell-off period in Section 4.4), Merchandiser will cease new production, and all accrued amounts become payable.

**9.3 Governing law and venue.** This Agreement is governed by the laws of the State of **[STATE]**, without regard to conflict-of-laws rules. The Parties submit to the exclusive jurisdiction of the state and federal courts located in **[COUNTY, STATE]**.

**9.4 Assignment.** Merchandiser may not assign this Agreement or sublicense the Property without Artist's prior written consent. Artist may assign its right to receive the Artist Share.

**9.5 Notices.** Notices must be in writing and sent to the addresses above (or as updated in writing) and are effective on receipt.

**9.6 Entire agreement; amendment.** This Agreement, with its exhibits, is the entire agreement on its subject and supersedes prior discussions. It may be amended only by a writing signed by both Parties.

**9.7 Severability and waiver.** If any provision is unenforceable, the rest remains in effect. A Party's failure to enforce a provision is not a waiver.

**9.8 Counterparts and electronic signature.** This Agreement may be signed in counterparts and by electronic signature, each of which is an original and all of which together form one agreement.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement as of the Effective Date.

**ARTIST****MERCHANDISER**

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed name: **[NAME]**Printed name: **[NAME]**Title: **[TITLE / N/A]**Title: **[TITLE]**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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