



REGISTERED LICENSE AGREEMENT

AGREEMENT ON THE LICENSING AND RULES GOVERNING THE USE OF THE **BMP COTTON TRADEMARK AND BMP COTTON BLEND TRADEMARK ON UNFINISHED PRODUCT**

PARTIES

Cotton Australia Limited of Suite 4.01, 247 Coward Street Mascot New South Wales, Australia (Proprietor)

Australian Cotton Shippers Association of P.O. Box 4276, Forest Lake Queensland, Australia (Agent)

_____ of _____, (Licensee)

PREAMBLE

The Australian cotton industry has a voluntary system for minimising the impacts of cotton growing on the environment called Best Management Practices (BMP) program.

The Australian cotton industry has developed a brand for cotton produced in Australia under its BMP program.

The Licensee wishes to ensure that the supply chain cares for the environment and is therefore seeking to source, promote and sell unfinished products made from cotton grown by Australian cotton growers certified under the BMP program.

The Licensee wishes to use the BMP Cotton mark and/or BMP Cotton Blend mark for the promotion of unfinished cotton products made from BMP certified cotton.

AGREEMENT

1. Definitions

1.1. For the purposes of the rules;

- 1.1.1. "BMP cotton" means cotton grown by a certified grower under the Australian cotton industries Best Management Practices program.
- 1.1.2. "BMP Cotton Blend Mark" means the trade mark illustrated in Part 1 of the Schedule and is coloured blue (PMS 2955).
- 1.1.3. "BMP Cotton Mark" means the trade mark illustrated in Part 1 of the Schedule and is coloured green (PMS 3288).
- 1.1.4. "Licence" means a licence to use the BMP Cotton Mark and/or BMP Cotton Blend Mark granted by the Proprietor in accordance with the rules.
- 1.1.5. "Person" includes an individual, firm or body corporate.
- 1.1.6. "Rules" mean these rules governing the use of the BMP Cotton Mark and BMP Cotton Blend Mark including any amendments and further rules made from time to time in accordance with the Rules.
- 1.1.7. "Standards" means the technical or other standards, specifications and rules regarding the manner of use of the BMP Cotton Mark and/or BMP Cotton Blend Mark and the quality of the goods in respect of which the marks may be used, from time to time, prescribed by the Proprietor in accordance with rules.
- 1.1.8. "Unfinished Cotton Products" means products such as yarn, fabric or semi finished products that are not intended to be sold to an end consumer and that will have further value added to the product.

2. Proprietorship

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- 2.1. The Proprietor has registered the BMP Cotton Mark in respect of cotton included in Class 22 and respect of all goods in Classes 23 and 25 in Australia, Japan, China, South Korea, Thailand and Indonesia.
- 2.2. The BMP Cotton Mark and BMP Cotton Blend Mark are the absolute property of the Proprietor and shall not be used by any person except by authorisation granted in accordance with the Rules.

3. Licence To Use

- 3.1. The Proprietor grants the Licensee a non-transferable licence to use the BMP Cotton Mark and BMP Cotton Blend Mark on unfinished cotton products in accordance with the Rules. Purchase of BMP Cotton Mark and/or BMP Cotton Blend Mark licensed product in any state (fibre, yarn, fabric, home fashion, apparel, etc) does not automatically qualify the buyer of those unfinished products to use the BMP Cotton Mark and/or BMP Cotton Blend Mark. The purchaser of unfinished products that intends to use the BMP Cotton Mark or BMP Cotton Blend Mark must enter into a separate Licence Agreement with Cotton Australia.
- 3.2. The Proprietor reserves the right to charge a licence fee of \$200 AUD per annum.
- 3.3. The Proprietor reserves the right to charge an initial, separate \$300 AUD application fee.
- 3.4. The Licensee may not use the BMP Cotton Mark or BMP Cotton Blend Mark except as related to their use of Australian BMP cotton, or in any way as contemplated by this agreement without the prior written permission of the Proprietor or the Agent
- 3.5. It is expressly acknowledged that the licence to the Licensee of the BMP Cotton Mark and the BMP Cotton Blend Mark as related to the use with Australian BMP cotton is non-exclusive.

4. Quality Control

- 4.1. The BMP Cotton Mark and BMP Cotton Blend Mark are premium brands.
- 4.2. The Licensee acknowledges that Australian cotton is a premium product and the Australian cotton industry has a reputation for supplying high quality cotton and that consumer expectations about the quality of Australian cotton will be influenced by the quality of products that the Licensee manufactures from BMP cotton.
- 4.3. The Proprietor and the Agent reserve the right to determine the suitability of spinners, weavers, knitters, garment makers, retailers and brands.
- 4.4. BMP Cotton Mark and BMP Cotton Blend Mark licensed products may not be used on any product, in conjunction with process or be associated with any disrespectful, harmful or illegal activity.

5. Standards

- 5.1. The Proprietor may from time to time prescribe Standards and alterations to Standards.
- 5.2. The Proprietor or the Agent shall give notice in writing to all Licensee of the BMP Cotton Mark and/or the BMP Cotton Blend Mark of any alterations to the Standards, specifying s date the alterations shall have effect.

6. Use of BMP Cotton Mark and BMP Cotton Blend Mark

- 6.1. The Licensee shall in their use of the BMP Cotton Mark and BMP Cotton Blend Mark:-
 - 6.1.1. Only use the marks in accordance with the Rules;
 - 6.1.2. Comply with the Standards;
 - 6.1.3. Only use the marks as depicted in the Schedule or as otherwise approved in writing by the Proprietor;

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- 6.1.4. Not represent in any way that they own the marks or are entitled to use them otherwise than as a Licensee of the Proprietor. The Licensee is not permitted to on-sell the use of the marks.
- 6.2. Use of the **BMP Cotton Mark** and/or the **BMP Cotton Blend Mark** for unfinished products shall primarily be in the form of labels, tags, certification and promotion.
 - 6.2.1. By printing or other reproductive means upon containers or packaging for the certified products or on the products themselves.
 - 6.2.2. By printing or other reproductive means upon all types of promotional material, advertisements, stationery or other trade literature relating to the certified product.
 - 6.2.3. By printing or other reproductive means upon conveyances capable of carrying the certified product.
 - 6.2.4. The **BMP Cotton Mark** and/or **BMP Cotton Blend Mark** may be used on the Licensee's website as long as it is directly associated with a product that satisfies the requirements of these Rules.
 - 6.2.5. The **BMP Cotton Mark** and/or **BMP Cotton Blend Mark** may be enlarged or reduced photographically but shall not be otherwise altered or distorted in any way.
 - 6.2.6. Always designate the **BMP Cotton Mark** and/or **BMP Cotton Blend Mark** with the ® symbol.
 - 6.2.7. Always use the **BMP Cotton Mark** and/or **BMP Cotton Blend Mark** as adjectives that describe the generic product. Trade marks are proper adjectives describing a specific thing, therefore, they should be used in conjunction with the noun (generic name) they modify (e.g. **BMP Cotton yarn**).
 - 6.2.8. The Licensee is responsible for ensuring that all product label and promotional materials comply with any relevant legislation and/or regulations in the countries where the product will be sold and displayed.
- 6.3. If and as requested by the Proprietor, a Licensee shall supply the Proprietor with samples of specified uses or as the case may be proposed uses by the Licensee of the **BMP Cotton Mark** and/or **BMP Cotton Blend Mark**.
- 6.4. The Licensee is responsible for the integrity of the supply chain, ensuring that the products sold under the **BMP Cotton Mark** and/or **BMP Cotton Blend Mark** have been manufactured from bales of Australian raw **BMP cotton**. The fibre content and origin should be verifiable through purchase invoices. The Proprietor and the Agent reserve the right to request verification of fibre content and origin for all products bearing the **BMP Cotton Mark** and **BMP Cotton Blend Mark**.
- 6.5. The Agent will provide general support information to the Licensee to assist promotion efforts.
- 6.6. The Licensee will meet all costs associated with promotional material used in promoting the unfinished products carrying the **BMP Cotton Mark** and/or **BMP Cotton Blend Mark**.

7. Use of the **BMP Cotton Mark**

- 7.1. The **BMP Cotton Mark** may only be used upon or in relation to cotton included in Class 22 where 100% of the cotton used is **BMP cotton**.
- 7.2. The **BMP Cotton Mark** may only be used upon or in relation to manufactured products where 100% of the product is made from cotton and 100% of the cotton used is **BMP cotton**.
- 7.3. The Proprietor will provide the Agent member shipping the cotton with a certificate confirming the bales of **BMP cotton** supplied were produced by an Australian cotton farm certified under the **BMP Program**.
- 7.4. The use of the word "Australia" or "Australian" with or without other words in association with the **BMP Cotton Mark**, where the **BMP Cotton Mark** is used upon or in relation to manufactured products, is permitted only where the cotton content is entirely Australian grown and:

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- 7.4.1. The products are manufactured in Australia; or
 - 7.4.2. The products are manufactured outside Australia and the use is such as not to lead customers to believe the products were manufactured in Australia.
- 7.5. The use of the words "Pure Cotton" in association with the BMP Cotton Mark is only permitted where the content of the products (whether manufactured in Australia or overseas) is 100% BMP cotton.

8. Use of the BMP Cotton Blend Mark

- 8.1. The BMP Cotton Blend Mark may only be used upon or in relation to manufactured products where at least 50% of the product is made from BMP cotton.
- 8.2. The remaining maximum of 50% of the product can be made up of other cotton, wool or other natural fibres or from recycled Polyethylene Terephthalate (PET). Any other product that is blended with BMP cotton must be separately authorised.
- 8.3. The word "Blend" must be used with or without other words in conjunction in with the BMP Cotton Blend Mark
- 8.4. The Proprietor will provide the Agent member shipping the cotton with a certificate confirming the bales of BMP cotton supplied were produced by an Australian cotton farm certified under the BMP Program.
- 8.5. The use of the word "Australia" or "Australian" with or without other words in association with the BMP Cotton Blend Mark, where the BMP Cotton Blend Mark is used upon or in relation to manufactured products, is permitted only where the cotton content is entirely Australian grown and:
 - 8.5.1. The products are manufactured in Australia; or
 - 8.5.2. The products are manufactured outside Australia and the use is such as not to lead customers to believe the products were manufactured in Australia.

9. Proprietor's Right to Terminate Licences

- 9.1. The Proprietor and/or the Agent shall be entitled to terminate any licence forthwith by written notice to a Licensee if:-
 - 9.1.1. The Proprietor or Agent forms the opinion that any goods in respect of which the Licensee is licensed to use the BMP Cotton Mark and/or BMP Cotton Blend Mark do not comply with the requirements of Clauses 7 or 8;
 - 9.1.2. The Licensee breaches any other provisions of the Rules and fails to rectify such breach within 30 days after written notice from the Proprietor or Agent specifying the nature of the breach and requesting rectification;
 - 9.1.3. The Licensee becomes bankrupt or goes into liquidation or has a receiver or administrator or similar appointed in respect of the whole or any part of its assets, or if placed under official management or enters into any arrangement or composition with any of its creditors.
- 9.2. A Licensee will immediately cease and desist from using the BMP Cotton Mark and/or BMP Cotton Blend Mark if the Proprietor or Agent has given notice that it has terminated the Licence pursuant to Rule 9.1.

10. Maintenance of the BMP Cotton Mark and/or BMP Cotton Blend Mark

- 10.1. The Proprietor undertakes that it will be responsible for the payment of all renewal or other maintenance fees in relation to the BMP Cotton Mark and/or BMP Cotton Blend Mark.

11. Confidentiality

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11.1. The Parties to this Agreement acknowledge and agree that:

- 11.1.1. Confidential information is confidential and that any confidential information disclosed to any of the Parties is disclosed to those Parties only pursuant to the terms of this agreement;
- 11.1.2. The Parties must not, other than with the prior written approval of the other Party, use, disclose, divulge or deal with any confidential information, nor allow any act, matter or thing to be done or occur whereby any confidential information may be ascertained or used by, or disclosed or communicated to, any other person, except in accordance with the terms of this agreement.

12. Arbitration

- 12.1. Any dispute or difference whatsoever arising out of or in connection with this agreement shall be and is hereby submitted to arbitration in accordance with, and subject to, the UNCITRAL Arbitration Rules. The appointing and administering body shall be The Institute of Arbitrators and Mediators Australia (IAMA). There shall be one arbitrator, the language of the arbitration shall be English, the place of the arbitration shall be Sydney, Australia.

13. Alteration of these Rules

- 13.1. The Proprietor may from time to time amend these Rules
- 13.2. The Proprietor will inform the Licensee in writing with 60 days written notice of any intention to amend these rules
- 13.3. The Proprietor undertakes to mutually consult with the Licensee regarding any proposed alterations to these rules, however, maintains the right to alter these Rules.
- 13.4. No waiver by the Proprietor or Agent of any breach, default or omission by the Licensee in the performance or observance of any of the Rules shall be deemed to be a waiver of any other or subsequent breach, default or omission of the same or a different kind under the Rules.

14. Period

- 14.1. This agreement will be for a 12 month period being for the 12 months from date of signing in Rule 15.
- 14.2. At the end of the 12 month period this agreement will continue on a month by month basis until such time as either party advises the other of its intentions regarding either the extension or termination of this agreement.
- 14.3. If this agreement continues on a month by month basis as described in Rule 14.2 then any fees payable under Rules 3 or 4 shall be on a pro-rata basis.

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15. Signature

SIGNED for and on behalf of COTTON AUSTRALIA LTD on the _____ day of _____, _____ 200 _____ in the presence of:

Signature of Witness Name of Witness

Adam Kay *Chief Executive Officer*

SIGNED for and on behalf of AUSTRALIAN COTTON SHIPPERS' ASSOCIATION on the _____ day of _____, _____ 200 _____ in the presence of:

Signature of Witness Name of Witness

Peter Johnson *President*

SIGNED for and on behalf of _____ on the _____ day of _____, _____ 200 _____ in the presence of:

Signature of Witness Name of Witness

Name of Signatory Position of Signatory

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THE SCHEDULE

BMP Cotton Blend Mark



BMP Cotton Mark



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