

Packaging System Agreement

_____, referred to as the DESIGNER, and _____, referred to as the CLIENT, agree:

DESIGNER shall create a packaging system, including art, containers, interior packaging for _____, a product created by CLIENT.

DESIGNER shall receive as its fee \$_____ (_____ & ____/100 dollars), payable as follows: _____.

The CLIENT acknowledges that the goods to be made herein are "custom made goods" as is provided for by the Uniform Commercial Code.

CLIENT shall provide a full working model, or production examples of the product to DESIGNER not later than _____. In the event that CLIENT does not deliver the fully working model or the production examples as provided, the DESIGNER shall have an equal number of days added to its delivery date for all further work.

The DESIGNER shall complete all services provided for herein no later than _____ subject to any delays provided for herein. Said packaging shall be appropriate for _____, and shall be designed so that on the open market, using first class vendors, the packaging, in quantity _____ shall be readily available for \$_____ (_____ & no/100 dollars) per unit, as of the date of delivery.

DESIGNER shall provide a tentative layout of all art and packaging by _____. CLIENT shall immediately approve or comment on the proposed design. DESIGNER and CLIENT shall cooperate in good faith to agree upon a final design scheme in keeping with the need to develop a packaging system purchasable within the budgetary restraints set forth above.

DESIGNER shall deliver to CLIENT any original artwork, plates or other materials upon final payment. CLIENT herewith grants to DESIGNER an express lien upon any of CLIENT's materials delivered to DESIGNER during the work.

DESIGNER shall deliver a first prototype of the packaging to CLIENT no later than _____. DESIGNER shall provide upon approval a short run of _____ pieces of the packaging.

DESIGNER and CLIENT shall participate in a testing program to gauge end user acceptance of the packaging. CLIENT shall provide sufficient personnel to assist in the testing procedure. Based upon such testing the DESIGNER shall complete final packaging.

CLIENT represents to DESIGNER that DESIGNER has the right to use of the trade names and trade dress herein, and will indemnify and hold DESIGNER harmless from all such claims. DESIGNER represents to CLIENT that the DESIGNER's work is original work of the DESIGNER and will indemnify and hold CLIENT harmless from such claims. Provided, however, that certain packaging which will be recommended by the DESIGNER is or may be the subject of certain

patents, licensed or licensable by DESIGNER. DESIGNER shall identify the same in its work. The royalties payable for the use of the patents shall be included in the budget figure stated above.

DESIGNER shall keep all of the information concerning this project strictly confidential and shall take reasonable and customary steps to insure that the existence of this product and the type of packaging are not revealed prior to the commencement of sales of the product. DESIGNER may not reveal any information which is disclosed to DESIGNER by the CLIENT which is clearly marked as a trade secret or confidential information, unless:

- (a) the material is released into the public domain by no fault of the DESIGNER,
- (b) the information was already known to the DESIGNER.

DESIGNER agrees for a period of _____ not to act as a consultant, employee or principal regarding packaging of products which are directly in competition to the product designed herein throughout the world. This duty shall be specifically enforceable by action in any court of competent jurisdiction.

This is the entire agreement between the parties and the same may only be modified in writing executed by the parties hereto.

Dated: _____

_____ By Designer

_____ By Owner/Client

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Review List

This review list is provided to inform you about this document in question and assist you in its preparation. This agreement can be adapted to for a variety of packaging requirements.

1. Make multiple copies. Give one to each signing party.
2. Packaging issues can be tricky so a well-documented plan is to everyone's advantage to avoid disappointment and, at worst, litigation later.