

GENERAL TERMS AND CONDITIONS

1. Scope

- a. The legal relations established via this online library between the operator of the online library (hereinafter referred to as „Pattern Design“) and its customers (hereinafter referred to as „Licensee“) shall be exclusively subject to the following General Terms and Conditions in their current version at the time the relevant contract is concluded.
- b. These General Terms and Conditions shall exclusively apply to business transactions between companies (B2B).

2. Exclusive application

Any deviating General Terms and Conditions of the Licensee shall not apply. Such deviating General Terms and Conditions of the Licensee shall only become effective if expressly confirmed in writing by Pattern Design. This means any actions taken by Pattern Design in order to fulfil the contract are not deemed to be Pattern Design's consent to provisions deviating from these General Terms and Conditions.

3. Registration and user account

In order to be able to buy patterns from Pattern Design, the Licensee must register on www.patterndesigns.com. Such registration shall be free of charge. Upon completion of the registration process, the Licensee shall receive a user account without any restriction as to time. The Licensee must not provide incorrect or misleading information upon registration (such as name, VAT no. e-mail address or URLs).

The purchase of licenses to patterns is subject to the conclusion of additional contracts (please see no. 5). Such information provided can only be changed by directly contacting Pattern Design in writing, either via e-mail or mail. The Licensee shall be entitled to request at any time that Pattern Design deletes its registration and thus its user account and deactivates its user name and password. Such request must be made via e-mail or mail.

4. Contractual language

The Licensee can choose between English and German as contractual language.

5. Conclusion of contract

The presentation of the patterns in the online library shall not be deemed to be a binding offer by Pattern Design to conclude a contract. The Licensee shall merely be requested to submit an offer by placing an order. By sending an order via the online library, the Licensee makes a binding offer aiming at the conclusion of a contract for the patterns in the shopping cart. In addition, by sending the order, the Licensee accepts these General Terms and Conditions as the General Terms and Conditions exclusively applicable to the legal relationship between the Licensee and Pattern Design. The acceptance of the contract and delivery shall be effected as soon as the Licensee activates the link for the download. At the same time, the risk shall pass to the Licensee.

6. Subject matter of the contract

In this online library, Pattern Design sells various licenses to repeat patterns to registered Licensees. The copyright for these patterns remains with Pattern Design. The Licensee shall be able to purchase the following licenses:

6.1. UNLIMITED license

This license shall be unlimited as to scope and time, however, it shall be non-exclusive and without the right to grant sub-licenses. The Licensee shall be allowed to use such patterns on products or derivatives. Any restriction of the number produced shall be excluded. After the conclusion of contract, such patterns shall remain in the online library and can be purchased by other Licensees, as well.

6.2. EXCLUSIVE license – limited or unlimited

The „Exclusive License“ is offered in two options. Both options just differ in the time limitation:

6.2.1. EXCLUSIVE limited license

This license shall be an exclusive license, unlimited as to scope, however, without the right to grant sub-licenses. This exclusive license shall be limited to a period of 2 years starting at the time the contract is concluded. The Licensee shall be allowed to use such patterns on products or derivatives. After conclusion of contract, these patterns shall be removed from the online library for a period of two years and cannot be bought by any other Licensee. After these two years, Pattern Design reserves the right to offer these patterns under an unlimited license again.

6.2.2. EXCLUSIVE unlimited license

This license shall be an exclusive license, unlimited as to scope and time, however, without the right to grant sub-licenses. The Licensee shall be allowed to use such patterns on products or derivatives. After conclusion of contract, these patterns shall be removed from the online library and cannot be bought by any other Licensee.

7. Terms of payment

- a. All prices are stated net.
- b. Pattern Design accepts the following methods of payment: direct ebanking or payment by credit card (Visa, MasterCard).
- c. The invoiced amount shall become due immediately upon receipt of the order confirmation. In case of payment by direct ebanking or credit card, the invoiced amount shall be charged to your account on the due date.

8. Additional duties and obligations of the Licensee

- a. The personal login data (user name, password, etc.) for the user account , shall only be used by the Licensee. The Licensee shall be obliged to treat them with strict secrecy and must not disclose them to any third party. In addition, the Licensee shall be obliged to protect such data from any third party access. Personal login data should be changed in regular intervals for security purposes. In case the Licensee has a reason to believe that any unauthorised third party obtained such login data, the Licensee shall be obliged to change these data immediately.
- b. Personal login data must not be stored unless they are encrypted. The Licensee shall indemnify Pattern Design and its vicarious agents against any third party claims if such claims are based on any illegal use of the services offered by Pattern Design and the related services offered by the Licensee or are conducted with the Licensee's consent or which result from any disputes arising out of the use of services offered by Pattern Design based on data protection law, copyright law or other legal issues. In case the Licensee recognises or should recognise that such a violation is imminent, the Licensee shall be obliged to inform Pattern Design thereof immediately. The Licensee must notify Pattern Design immediately of any defect or damage to the patterns purchased from Pattern Design. Unless otherwise stipulated in the license contracts, the Licensee shall not be entitled to resell or otherwise transfer the patterns and/or the licenses thereto.

9. Rights of Pattern Design

- a. In case of any severe violation of the Licensee's obligations as well as in case of any founded material suspicion of any violation of such obligations, Pattern Design shall be entitled at any time to terminate the Licensee's user account or to block it for an indefinite period of time at the Licensee's expense.
- b. Pattern Design shall not be responsible for the contents and pictures of linked websites.
- c. Pattern Design reserves the right to cease to render offered services or to remove links to other websites.
- d. Pattern Design shall not be obliged to provide specific contents.

- e. Pattern Design shall be entitled to take legal action in case of any suspected counterfeit merchandise, in particular in case of prohibited reproduction of patterns or sub-licensing.

10. Consequences of termination of the user account

Should the user account be terminated, e.g. by a notice of termination, the Licensee's user account shall be deleted and the user name and password shall be deactivated.

11. Warranty (liability for defects)

To the extent warranty rights are excluded below, the following provisions shall only apply to entrepreneurs and not to consumers. Except for cases in which the Licensee has a statutory right of rescission, we reserve the right to settle any warranty claims by improvement, exchange or a reduction in price, in our discretion. The Licensee shall be obliged to prove that the defect existed at the time of transfer. Patterns must be reviewed immediately after the download. The Licensee must notify Pattern Design immediately, within 7 days after the download at the latest, of any detected defects and inform Pattern Design of the type and scope of such defect. If the Licensee fails to notify Pattern Design of any defect or fails to effect such notification within the stipulated time period, the goods shall be deemed accepted. In such cases, the Licensee shall not be entitled to assert any warranty claims or claims for damages or to assert any avoidance on the grounds of error due to defects. The warranty period shall be 2 years starting as of the time of download.

12. Exclusion of liability

- a. We expressly point out that Pattern Design does not assume any liability for the use of the contractual patterns. Pattern Design does in particular not assume any liability if such use violates any third party property rights such as trademark rights, copyrights or registered designs. The Licensee undertakes to carefully verify any third party rights before it uses the patterns and to indemnify and hold Pattern Design harmless against any third party claims. Claims for damages for slight negligence shall be excluded. This shall also apply for the benefit of Pattern Design's legal representatives and vicarious agents to the extent the Licensee asserts any claims against them. Claims for damages shall become statute-barred 12 months after the damage and the party responsible for such damage became known.
- b. A similarity with existing patterns cannot be excluded. Therefore, Pattern Design does not guarantee that other copyright holders do not design similar patterns at the same time.

13. Prohibition to assign and pledge

The Licensee shall not be entitled to assign or pledge any claims and rights the Licensee is entitled to assert against Pattern Design, unless Pattern Design gives its written consent. Pattern Design shall not be obliged to give such consent unless the Licensee can prove that it has a legitimate interest in such assignment or pledge.

14. Right of set-off and retention

The Licensee shall not be entitled to any right of set-off unless its claim is undisputed or recognised by declaratory judgement. Moreover, the Licensee may only exercise its right of retention to the extent its counterclaim is based on the same contractual relationship.

15. Choice of law and jurisdiction

- a. The contractual relationship between Pattern Design and the Licensee shall be subject to Austrian law. The application of the UN Sales Convention as well as of the rules on conflict of laws of the private international law shall be excluded.
- b. Place of venue for any disputes arising out of the contractual relationship between Pattern Design and the Licensee shall be the court competent for the seat of Pattern Design.

16. Severability clause

The ineffectiveness of one of the provisions contained in these General Terms and Conditions shall not affect the effectiveness of the remaining provisions thereof.