

WEBCOMIX, INC.

CO-PRODUCTION AGREEMENT

This template is representative of a hypothetical contract offered to a creator. Any resemblance to actual contracts or legal entities is purely coincidental. NamiComi analysed it, clause by clause, to show you what to look for.

THIS CO-PRODUCTION AGREEMENT (this "Agreement") is entered into by and between Webcomix, Inc., a New York corporation with a business address at 1 Wall Street, New York City, NY 10005, USA ("Webcomix") and Jane Smith with a business address at 1600 Pennsylvania Avenue NW, Washington, D.C, 20500 USA ("Creator") as of 1st January, 2027 (the "Effective Date"). Webcomix and Creator may be collectively referred to as the "Parties" or each individually as a "Party" below.

What it means

This is the "who's who" of the contract. It says:

- Webcomix is a company in New York.
- Jane Smith is the creator in Washington, D.C.
- The contract starts on January 1, 2027.
- Sometimes they'll call both "Parties" (together) or a "Party" (either of them).

Nothing tricky yet, just identifying everyone.

WHEREAS, Webcomix is in the business of curating, producing, and distributing graphic novels, and Creator is engaged in creating such graphic novels.

What it means

They publish comics. Creator makes comics. It explains why the two are talking in the first place.

WHEREAS, Webcomix and Creator desire to co-produce certain projects and share profits in accordance with the terms and conditions of this Agreement.

What it means

It says both want to work together and share money. But here's the catch: The word "co-produce" sounds nice and equal, but it's not a legal term. It's just a

warm fuzzy feeling. The actual rules about “who controls what” come later and, spoiler alert, they're not equal at all.

NOW, THEREFORE, in consideration of the mutual covenants, understandings, and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

What it means

This is fancy lawyer talk for: "In exchange for both of us promising to do things, we now agree to what's written below." The word "consideration" just means "something of value exchanged." The Creator is granting them the rights to their comic. They're giving the creator money and promises. That's the trade.

1. WORK.

Webcomix and Creator agree to develop and produce an original graphic novel optimized for digital consumption, currently entitled “The Great Webcomic” and further described in Schedule A attached hereto and incorporated into this Agreement by this reference (the “Work”) (which Schedule A may be amended from time to time by written consent of the Parties). Subject to the terms of this Agreement, Webcomix and Creator shall collaborate in the creative process of developing and producing the Work.

What it means

Both Parties are making a comic together. It's called "The Great Webcomic." The details, like what it's about, how long it is, and the style, are written on a separate paper called Schedule A. They can change Schedule A later, but only if both agree to such changes. The word "collaborate" sounds nice, but remember: the rest of the contract decides who actually has the final say. Spoiler: it's not the creator.

1.1 Webcomix Contribution.

Webcomix shall provide:

1. Financing for the Work,
2. Production and editorial services and
3. Such other services as mutually agreed by the Parties.

Except as otherwise outlined in Schedule B attached hereto and incorporated into this Agreement by this reference (which Schedule B may be amended from time to time by written consent of the Parties), Webcomix will be

NAMICOMI FAIR - TEMPLATE OF A HYPOTHETICAL CONTRACT

responsible for all costs and expenses related to the development, production, financing, marketing, publication, and other exploitation of the Work and the Ancillary Rights and Derivative Works under this Agreement.

What it means

Here's what they bring to the table:

- Money: They pay for everything.
- Production help: Editing, formatting, maybe lettering. Whatever it takes to get the comic ready.
- Other stuff both Parties agree on later: Vague, but harmless.

The big line: they pay all costs of making the comic and marketing it, and even for things like movies or merchandise (those are "Ancillary Rights" and "Derivative Works"). Schedule B might list exceptions (like maybe the creator pays for their own supplies), but if Schedule B is blank, Webcomix pays everything.

Sounds good. They pay, Jane creates. But remember: whoever pays the bills usually makes the rules. And this contract gives them a lot of rule-making power later.

1.2 Creator Contribution.

Subject to Webcomix's approval of the final draft of the Work, Creator shall provide its creative talent and such other services as mutually agreed by the Parties ("Creator Services"). Creator agrees to provide Creator Services and deliver all work product resulting from such services ("Creator Work Product") in accordance with the specifications and delivery schedule outlined in Schedule C attached hereto and incorporated into this Agreement by this reference (which Schedule C may be amended from time to time by written consent of the Parties). Creator's failure to timely deliver Creator Work Product in all material respects in accordance with Schedule C shall be deemed a material breach of this Agreement and cause for Webcomix to terminate this Agreement if the Creator does not remedy such material breach in a manner approved by Webcomix.

What it means

Here's what the creator brings to the table:

- Their talent, their art, their story, and their name.
- They'll also do other stuff if they both agree later.

Creator has to deliver everything on time, following the rules in Schedule C (that's their deadline and checklist). So far, fair enough.

But here's the trap: The last sentence is a loaded gun pointed at the creator. If they mess up, like if they're late or don't deliver exactly what Schedule C says, Webcomix can call it a "material breach." That's fancy speech for "you broke the contract in a big way." And if that happens, they can cancel everything. Also note that it says the creator has to fix the breach "in a manner approved by Webcomix." That means they get to decide if the fix is good enough. Not a neutral third party. If they don't like the fix, they can still cancel everything.

The tl;dr: The creator must deliver on time and exactly as specified. If they slip up, Webcomix becomes the judge of whether the creator fixed it well enough. If they say "nope," the creator is effectively out, and that might mean paying back the advance in full and losing her rights, as we will explore below.

2. GRANT OF RIGHTS.

Subject to the terms and conditions of this Agreement, Creator hereby grants and assigns to Webcomix, its successors, representatives, and assigns, exclusive, perpetual, worldwide right, including the right to sublicense to multiple levels, to publish, market, promote, translate, re-format, distribute, sell, and otherwise exploit the Work and any portion of the Work in any language, format, and media now known or unknown and by any and all means or devices now known or unknown.

What it means

This is the "you don't own this anymore" clause. Let's break it down piece by piece:

- "grants and assigns": This isn't a license, it's a transfer. The creator is giving them the rights, not renting them. Legally, this is closer to a sale than to lending.
- "its successors, representatives, and assigns": Webcomix can sell the contract to anyone. Some random company the creator has never heard of can end up owning the comic. The creator doesn't get a vote.
- "exclusive": Only Webcomix has any freedoms. The creator can't put their comic on their own website or other platforms.
- "perpetual": Forever. Not 5 years, or 10 years. Jane's great-grandchildren will never own the rights to the comic.
- "worldwide": Every country in the world.
- "sublicense to multiple levels": They can sell rights to other companies, who can sell rights to other companies. The comic can be passed around like a chain letter.
- "any portion of the Work": They can use the characters, settings, and ideas without the creator's approval.

- "any language, format, and media now known or unknown": Print? Yes. Web? And whatever gets invented next year (brain implants? holograms?). They own that too, in any language known to man.
- "by any and all means or devices now known or unknown": Same thing, just repeated so it's super clear you're giving away everything.

3. TERM; TERMINATION.

3.1 Term.

The term of this Agreement shall commence upon the date of the Parties' execution hereof and continue until Delivery to Webcomix of the Work in accordance with the terms of this Agreement (the "Term"). The term of this agreement will last 5 years, starting on the Effective Date, unless mutually agreed upon to extend, as well as automatically renewing an additional 5 years upon additional Ancillary Deals; Derivative Works being made or entered into. Alternatively, if an additional episode of the series is produced beyond the agreed-upon 24 episodes (commencing in a second season of the Work), the contract will automatically extend for an additional 5 years.

What it means

This is the "Hotel California" clause. The creator can check out anytime they like, but they can never leave.

The contract lasts 5 years. That's quite a long contract, and it goes further:

- If Webcomix makes any deal for something like a movie, some merchandise, a foreign translation, anything classified as "Ancillary" or "Derivative", the contract automatically adds another 5 years without the creator having a veto.
- If Webcomix makes more episodes beyond the first 24 (like a second season), same thing: automatic +5 years.

So they control the length of the contract and can keep extending it indefinitely by exploiting the rights already granted to them.

3.2 Termination.

A Party may terminate this Agreement for cause:

1. Upon thirty (30) days' written notice to the other Party of a material breach if such breach remains uncured at the expiration of such period, or

NAMICOMI FAIR - TEMPLATE OF A HYPOTHETICAL CONTRACT

2. If the other Party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation, or assignment for the benefit of creditors, which is not resolved or dismissed within sixty (60) days ("Bankruptcy").

What it means

Either Party can end the deal if:

- The other Party messes up badly ("material breach") and doesn't fix it within 30 days of being told, or
- The other Party goes bankrupt (and stays bankrupt for 60 days).

On paper, this looks fair. But remember: Webcomix decides what counts as the "material breach" (see Section 1.2) for the creator.

3.3 Surviving Provisions.

The following sections shall survive any termination or expiration of this Agreement:

- Section 2 (Grant of Rights);
- Section 3 (Term; Termination);
- Section 4 (Proprietary Rights; Ownership);
- Section 6 (Distribution);
- Section 7 (Ancillary Rights; Derivative Works);
- Section 8 (Profit Sharing);
- Section 9 (Credit);
- Section 10 (Confidentiality);
- Section 11 (Representations and Warranties; Indemnification);
- Section 12 (Competitive Works); and
- Section 13 (General Provisions).

What it means

This is the "**zombie**" clause. These sections don't end when the contract ends.

Out of what survives, these are noteworthy:

- Section 2 (Grant of Rights): They keep the rights forever. Even after the contract "ends."
- Section 4 (Ownership): They still own the creator's work.
- Section 6 (Distribution): They still control where it can be published.
- Section 12 (Competitive Works): They can still block the creator from creating similar comics, such as sequels, prequels, or comics set in alternative universes.

Termination is a lie.

3.4 Reversion of Rights.

In the event of the Bankruptcy of either Webcomix or Creator, each Party shall retain all of its rights, interests, and title to its respective assets, and the rights granted by the non-bankrupt Party to the bankrupt Party hereunder will immediately revert to the non-bankrupt Party.

What it means

If either Party goes bankrupt:

- Jane keeps her stuff. Webcomix keeps their stuff.
- Any rights Jane granted to the bankrupt Party revert to her.

This sounds good in theory. If they go bankrupt, Jane gets her rights back!

Wrong! You see, Section 4, just below, explains that they don't just have a license; they co-own the copyright with Jane. That's not a "right granted" to them. That's their asset; their property.

So if they go bankrupt, what happens? The license rights (permission to publish) might revert to Jane, but their 50% ownership of her comic is "their asset," so they get to keep it and sell it during the administration process.

4. PROPRIETARY RIGHTS; OWNERSHIP.

The copyrights, trademarks, and other intellectual property rights in and to the Work, all new and unique characters and story elements thereof, and visual images thereof, and the Ancillary Rights and Derivative Works relating thereto, shall be jointly owned by Webcomix and Creator on an undivided 50%/50% basis; provided, however, that Webcomix shall have:

1. The sole and exclusive right and obligation to register, administer, and enforce such jointly-owned copyrights, trademarks, and other intellectual property rights in the joint name of Webcomix and Creator; and
2. Exclusive distribution and exploitation rights to the Work, Derivative Works, and Ancillary Rights relating thereto in perpetuity in any and all media now known or unknown and by any and all means or devices now known or unknown throughout the universe, subject to the provisions of this Agreement.

Upon request, Creator will cooperate with Webcomix in connection with the registration, administration, and enforcement of such rights. The Parties will execute, promptly upon request, all further reasonable and necessary documents to effectuate the provisions of this Section 4.

What it means

This is the "you own half of nothing" clause. It sounds great at first, but then comes the rug-pull.

- The hook: "Jointly owned" and "50%/50%." Wow! Jane owns half! She's a partner! It feels like a win.
- The catch: Read what comes after "provided, however." That's lawyer-speak for "but actually, here's the real deal." Webcomix controls everything, and they alone get to register the copyright, manage the rights, and sue anyone else handling the comic without their permission. The creator has no say.

They have exclusive distribution rights forever.

- "Exclusive" means only them.
- "Perpetuity" means forever.
- "Any media now known or unknown" means everything: print, web, movies, games, and future tech.
- "Throughout the universe" means... everywhere. Literally.

So what does the creator actually own? 50% of something she cannot use, cannot sell, cannot license, and cannot control. Webcomix owns 100% of the control, and Jane own 50% of whatever money the comic makes AFTER she finishes paying off the advance.

Another thing to note here is that if they need the creator to sign something, she must do so. Promptly and without complaining.

5. FINANCING.

5.1 Financing; Publisher Rights.

Webcomix will provide the financing for the production of the Work under this Agreement (the "Work Financing"). In connection with securing the Work Financing, Webcomix shall have the right to pre-sell distribution and any other rights to the Work and any Ancillary Rights related thereto, subject to Creator's approval, which shall not be unreasonably withheld, delayed, or conditioned.

What it means

They're paying for everything. That's fine. Here's what else they can do: They can sell rights to Jane's comic before it's finished. They can go to Netflix, or a figurine maker, or a foreign publisher and say, "Hey, want to buy the rights to this comic we're making?" and make a deal in advance.

The creator gets to approve these pre-sales, but she can't say no just because she feels like it. It has to be "reasonable" to reject the deal.

5.2 Advance Against Profits.

Webcomix agrees to pay Creator as an advance against and on account of all Profits and other sums accruing to Creator under this Agreement, the sum of NINETEEN THOUSAND AND TWO-HUNDRED Dollars (\$[19,200.00]) (the "Advance") payable as follows:

- \$1,920.00 on the execution of the Effective Date;
- \$1,920.00 on each monthly anniversary of the Effective Date until the Advance is fully paid.

If Creator materially breaches this Agreement, Creator shall return 100% of the Advance to Webcomix upon written demand. Upon receipt of such amounts by Webcomix, this Agreement shall terminate. Creator shall not, for a period of 3 years after termination hereunder, self-publish the Work or submit any partial or complete Work or proposal for the Work, or any similar work, to any publisher before offering it to Webcomix under the same terms as are contained in this Agreement.

What it means

They're paying the creator \$19,200. \$1,920 when she signs, then \$1,920 every month until it's all paid. This is an "advance against profits", meaning once the comic starts making money, they keep Jane's share until this \$19,200 is paid back. So far, this sounds good. Jane is getting paid to make her comic.

If they decide Jane messed up (remember the "material breach" from Section 1.2? The one they get to judge?), she'd have to pay back every single dollar of that \$19,200. Stops sounding like an advance and more like a loan with a gun to her head.

Here's the second gun, waiting right next to the first one. Even after they cancel the deal with Jane, take her rights, and demand their money back... she still can't escape.

For three years, she cannot:

- Publish the comic herself;
- Show it to any other publisher;
- Even show someone a similar idea.

If she wanted to do anything with her comic (or anything like it), she'd have to offer it to Webcomix first on the exact same terms outlined in this contract.

6. DISTRIBUTION.

The Work shall initially be distributed exclusively on Webcomix platforms and channels. Webcomix and Creator shall mutually agree on all other future distribution of the Work (including, but not limited to, choice of platform, channel, territory, and/or language); provided that in the event of a disagreement, Webcomix's decision shall govern. Webcomix shall have control over all decisions relating to the marketing, promotion, publicity, and advertising of the Work.

What it means

This is the "we decide, you nod" clause. The punchline is "provided that in the event of a disagreement, Webcomix's decision shall govern", which means "mutually agree" is a lie. If Jane doesn't like where they want to sell her comic, she can say no, but they can say "too bad" and do it anyway. The creator has no veto; Webcomix has the final word.

7. ANCILLARY RIGHTS; DERIVATIVE WORKS.

7.1 Ancillary Rights.

Webcomix and Creator shall have mutual creative control with respect to the creation and design of any Ancillary Rights, provided that in the event of a disagreement, Webcomix's decision shall govern.

What it means

"Ancillary Rights" means stuff like figurines, books, soundtracks. Things based on the creator's comic that aren't the comic itself. Webcomix says Jane will have "mutual creative control." That sounds like she gets a say in how her characters look as action figures or what the soundtrack sounds like.

But here's the truth: If she disagrees, for example, if they want ugly toys and she says no, they win. Just like before, their decision is final.

7.2 Derivative Works.

Webcomix and Creator shall have mutual control of whether or not to develop, produce, or otherwise exploit any Derivative Works (or transfer or license of any rights to exploit any Derivative Works) during the Term or thereafter, provided that in the event of a disagreement, Webcomix's decision shall govern.

What it means

"Derivative Works" means new things made from the comic: sequels, prequels, TV shows, movies, video games, webisodes, stage plays, mobile apps, anything new based on the comic's world and characters.

Again, they say the creator has "mutual control" over whether to make these things, but that is, you guessed it, another lie.

7.3 Definitions.

For purposes of this Agreement, the following definitions shall apply:

- "Ancillary Rights" means items created in the exercise of Merchandising Rights, literary publishing, soundtrack, and publishing rights in and to the Work or any Derivative Work. Ancillary Rights do not include any works within the scope of Derivative Works, but do include any items created in the exercise of Merchandising Rights, literary publishing, soundtrack, and publishing rights in and to any Derivative Works.
- "Derivative Works" means any work based upon the Work, or any original characters therefrom or story or other elements thereof, including, without limitation, sequels, prequels, remakes, made-for-home video productions, television productions, Interactive Works, shorts, commercials, and interstitial works, stage plays, mobile phone applications, and Internet websites.
- "Interactive Work" means any audio-visual work or other work, regardless of the physical medium in which the work is fixed (including, without limitation, CD-ROMs, DVDs, video games, arcade games, computer and smartphone games), now known or hereafter coming into being, which work is designed with the primary purpose of permitting the viewer to modify or control the sequence or performance of the presentation in a non-linear fashion.
- "Merchandising Rights" means the right to make, use, sell, exercise, or otherwise exploit and license or authorize others to make, use, sell, exercise, or otherwise exploit tangible personal property, of any and all kinds, based upon, utilizing, or embodying the Work or Derivative Work, or any of the characters or story or other unique elements thereof, including, without limitation, any unique names, likenesses or characteristics of any characters portrayed therein, or events depicted therein, or any trademark, trade name, or copyrights related thereto, other than pre-existing Webcomic marks; provided that Merchandising Rights shall not include Interactive Works.

What it means

Ancillary Rights = merch, books, soundtracks. It's confusing because they're trying to separate it from Derivative Works, but honestly? The distinction doesn't matter much because they control both anyway.

Derivative Works = anything Jane could possibly imagine making from her comic. They're defining it here to control it.

Interactive Work = a fancy way of saying "video games and other interactive stuff." Notice the "now known or hereafter coming into being", which means any future game technology, like virtual reality, and whatever else.

Merchandising Rights = physical stuff. Figurines, t-shirts, posters, coffee mugs, lunch boxes, etc. If it can be touched, they can make it all. They can let other companies make it, too.

8. PROFIT SHARING.

8.1 Definition.

"Profits" shall mean one hundred percent (100%) of all revenues, money, or other consideration (to the extent a cash value can be attributed to such other consideration) actually received by, or credited to, Webcomix ("Revenues") from a particular source of such Revenues as applicable, minus all costs and expenses incurred by Webcomix, including the Advance paid to the Creator under Section 5.2, if applicable, to generate such Revenues.

What it means

The "we'll tell you what you owe us before we tell you what you earned" clause. They define "Profits" as all the money they receive, minus all costs and expenses incurred to obtain it.

"All costs and expenses" is the problem. That's not a list; it is a black hole. This means that marketing costs, office rent, the CEO's salary, and lunch meetings, if someone mentions her comics CAN be classified as expenses and be deducted.

They also deduct the Advance they already paid Jane. So before she sees a penny, they're taking back the money they already gave her.

Another term for this deal is "Hollywood Accounting." She could have a million paying fans and still be told there are "no profits" because they've defined profits down to zero.

8.2 Profit Sharing.

Webcomix and Creator will share the Profits of the Work, Ancillary Rights, Derivative Works and Merchandising Rights 50%/50%, except as otherwise mutually agreed in accordance with Schedule D attached hereto (which Schedule D may be amended from time to time by written consent of the Parties) or as follows:

- A. Foreign Distribution. With respect to the distribution of the Work outside of the United States, the Parties will share Profits 50%/ 50%.
- B. Book Publishing. With respect to a book publishing deal, the Parties will share Profits 50%/ 50%.
- C. Feature Film. With respect to a feature film, the Parties will share the Profits 50%/50 %.
- D. Television. With respect to a television series, the Parties will share the Profits 50%/50 %.
- E. Interactive Work. With respect to any Interactive Work, the Parties will share Profits 50%/ 50%.

What it means

This is the "look, 50%!" distraction. They list all these categories and say Jane splits profits 50/50 on everything. Sounds amazing, but remember what "Profits" means. Jane gets 50% of whatever is left **after** they subtract "all costs and expenses." If they define profits down to zero, 50% of zero... is zero.

8.3 Profit Sharing Payments.

Webcomix agrees to make applicable profit-sharing payments to Creator on a monthly basis (unless such payments owed to Creator are less than US\$25.00, in which case the amount will be carried over to the next month), beginning with the last day of the first full month of publication of the Work, and provide Creator access to accounting at any time via an online portal. All payments due under this Agreement shall be paid to Creator by wire transfer to accounts designated by Creator in writing to Webcomix, or by check delivered to the address first set forth above or such other address on which Creator gives written notice.

What it means

They promise to pay monthly and give the creator access to their numbers online. That sounds good, but there's a catch: Just because Jane can see their numbers doesn't mean she can verify them. It doesn't give her the right to hire an accountant to audit their books and make sure they're not hiding revenue or inflating expenses.

9. CREDIT.

With respect to the Work and any exploitation of Ancillary Rights, Derivative Works, and Merchandising Rights, Webcomix and Creator will be accorded joint credit, with Webcomix in the first position and Creator in the second.

What it means

Webcomix and Jane will both get credit. Jane's name appears; that's good. But... Webcomix's name comes first. Why does order matter? Because "first position" is the name people remember the most, and it's the name that gets associated with the work more often.

10. CONFIDENTIALITY.

10.1 Definition.

For purposes of this Agreement, "Confidential Information" shall mean all information which is received by one Party (the "Recipient") from the other Party (the "Discloser") under or in the course of performance of this Agreement.

What it means

Any info the creator tells them, or they tell the creator, during this deal is "Confidential Information." Pretty simple.

10.2 Protection of Confidential Information.

The Recipient shall maintain the Confidential Information in confidence and shall not disclose the Confidential Information, or any portion thereof, to any third party except as permitted by this Agreement or as reasonably

NAMICOMI FAIR - TEMPLATE OF A HYPOTHETICAL CONTRACT

necessary to carry out the provisions of this Agreement, and shall protect Confidential Information with at least the same degree of care as the Recipient uses in maintaining as secret its own confidential and proprietary information, but in no case less than a reasonable degree of care.

What it means

Webcomix and the creator both promise to keep secrets... secret. Jane has to protect their secrets as carefully as she'd protect her own, or at least as carefully as a reasonable person would.

This is fair, both sides have to keep quiet about private stuff.

10.3 Exceptions.

This Agreement imposes no obligation on the Recipient with respect to any portion of Confidential Information which:

1. Was generally available to the public prior to Discloser's first disclosure thereto to the Recipient or subsequently becomes generally available to the public through no fault of the Recipient;
2. Was in the Recipient's possession prior to receipt from the Discloser and not acquired directly or indirectly from the Discloser;
3. Is lawfully received by the Recipient from a third party not directly or indirectly associated with Discloser and having no obligation of confidentiality with respect thereto; or
4. Is independently developed by the Recipient without the benefit of the other Party's Confidential Information, provided that each Party shall use reasonable efforts to instruct its employees not to confirm or otherwise respond to Confidential Information or an inquiry about the same presented by a third party.

What it means

Here are the times either Party is allowed to spill secrets:

1. It's already public: if everyone knows, it's no longer a secret.
2. Jane knew it already: If she had the info before they told her, it's not really confidential.
3. Someone else told Jane: If she heard it from a third party who had no duty to keep it quiet, then it is fair game.
4. She figured it out herself: If she came up with the same idea independently, without using their secret info, she can use it.

These are standard exceptions, nothing sneaky here.

11. REPRESENTATIONS AND WARRANTIES; INDEMNIFICATION.

11.1 Representations and Warranties.

Creator hereby represents and warrants to Webcomix that:

1. It has the requisite skills, knowledge, and experience to perform its obligations under this Agreement;
2. It has the right and full authority to enter into this Agreement and to grant all interests, rights, and title granted by it herein;
3. The Work shall be an original work of the Creator and not in the public domain;
4. The Work shall not violate the right of privacy of any third party;
5. The Work shall not infringe upon the copyright or violate any other intellectual property or other right of any third party; and
6. This Agreement shall not breach or conflict with any other agreement to which Creator is a party.

What it means

The creator legally promises that:

- She actually has the talent to do this (which is weird, imagine having to promise you're good enough).
- She has the right to sign this deal.
- She made the comic herself. It's not copied from anyone.
- She's not stealing anyone's ideas, characters, or stories.
- She's not violating anyone's privacy.
- She hasn't signed another contract that would void this deal.

Notice, however, that Webcomix doesn't promise anything. They don't promise they'll market Jane's comic. They don't promise they won't take her ideas and use them without permission. Only Jane makes promises here.

11.2 Indemnification.

Creator agrees to indemnify, defend, and hold Webcomix and its officers, directors, employees, exhibitors, licensees, assignees, and sub-distributors, harmless against any cost, expense, loss, liabilities, and damages of any kind (including reasonable attorneys' fees and costs incurred by Webcomix) arising out of or related to:

1. Any breach by the Creator of Section 11.1 and
2. Any of the Creator's errors or omissions, gross negligence, or willful misconduct arising under or related to this Agreement.

What it means

If someone sues them because of something the creator did, maybe Jane accidentally used a character that belonged to someone else, or she promised something she couldn't deliver, she has to pay.

Not just the settlement or the damages... Everything. Their lawyer, court costs, employees' time, and even their "losses." A lot of people get protection, too. Not just Webcomix, but also their officers, directors, employees, exhibitors, licensees, assignees, and sub-distributors.

This is an unlimited financial promise since there's no cap. Remember that "having no talent" or "making an error" are enough to trigger this clause if a lawsuit happens, as frivolous a lawsuit as it may be.

11.3 Indemnification Procedures.

As a condition to the Creator's obligation to indemnify Webcomix under Section 11.2, Webcomix will:

1. Provide the Creator with prompt written notice of any claim that would give rise to liability of the Creator under this Agreement, provided that failure to give timely notice will not relieve the Creator of its obligations to the extent that such failure does not materially prejudice the Creator's ability to defend or settle such claim without liability;
2. Tender sole control of the defense and settlement of such claim to the Creator, provided that the Creator will not settle any such claim without the written consent of Webcomix;
3. Provide Creator, at Creator's expense, with such assistance as Creator may reasonably request, and
4. Not disclose the terms of any settlement unless required to do so by judicial or other government order, and will not publicize, or permit any third party to publicize, any settlement without Creator's prior written consent. Further, Webcomix may participate in the defense or settlement of a claim with its own counsel at its expense.

What it means

If someone sues, here's what happens:

- Webcomix has to tell Jane. (Good.)
- If they tell her late, she still has to pay unless it really hurts her case. (Not so good.)
- Jane gets to control the defense. Meaning, she can hire the lawyers and make the decisions. (Good!)
- But she can't settle without Webcomix's permission. (So Jane is paying, but they control whether she can end the fight.)

- If they want to help, Jane pays for their help, too.
- Webcomix can hire their own lawyers (at their own expense) if they want.

The trap: Jane is paying for everything, but **she can't settle without their approval**. So they could drag out a fight forever, running up her legal bills, just because they don't like the settlement terms.

12. COMPETITIVE WORKS.

Creator will not, without Webcomix's prior written consent:

1. Publish or authorize the publication by anyone other than Webcomix of any text- based edition, adaptation, abridgement, or condensation of the Work, or publish or authorize publication of any text-based Derivative Work (including but not limited to, any dramatic play, screenplay, television script, novelization, graphic novel, or photonovel) based on the Work or bearing a like title; or
2. Publish or authorize for publication of any work, whether print or digital, containing material similar to the Work if, in Webcomix's judgment, such publication is likely to injure the sale or distribution of the Work, any Derivative Works, Ancillary Rights, or any other rights granted in this Agreement.

What it means

Let's break it down into two parts.

Part 1: No competing versions of this comic.

The creator cannot make anything else based on this specific comic. This makes sense. Webcomix paid for this comic, so the creator shouldn't make the same comic somewhere else.

Part 2: No similarities.

The creator also cannot make any work, print or digital, that contains material "similar" to this comic if, **in Webcomix's judgment**, it might hurt sales of their stuff.

...look at those three loaded words: "in Webcomix's judgment."

Not "in a court's judgment." Not "by a reasonable person's standards." They decide what counts as "similar," and they decide if it might "injure" their sales.

What does "similar" mean? Similar art style? Similar genre? Similar characters? Similar setting? Similar tone? They decide. **Bad, bad, bad.**

13. GENERAL PROVISIONS.

13.1 Relationship of the Parties.

The Parties are independent contractors. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

What it means

This confirms that Jane and Webcomix are not business partners or married. Jane doesn't work for Webcomix, and Webcomix doesn't work for Jane. Just two separate Parties who made a deal.

This is actually good. It protects the creator from being responsible for Webcomix's debts or other screw-ups.

13.2 No Third-Party Beneficiaries.

There are no third-party beneficiaries to this Agreement.

What it means

This deal is just between Jane and Webcomix. No random person or company can claim rights under it. Standard and fine.

13.3 Notices.

Whenever notices are required to be given under this Agreement, the writings signed by an officer of the party serving such notice, and personally delivered, mailed by registered mail, return receipt requested, or sent by facsimile transmission (with written confirmation of receipt), to the other party, shall be deemed good and sufficient notice. Such notices shall be addressed to the Creator at 1600 Pennsylvania Avenue NW, Washington, D.C, 20500 USA. Notices to Webcomix shall be addressed to Webcomix at 1 Wall Street, New York City, NY 10005, USA. A courtesy copy of any notice to Creator shall be provided to Random Law Firm LLP, 101 Injustice Avenue, New York City, NY, 10004, ATTN: Lady Injustice, Email: ladyinjustice@rlf.com, Facsimile: (555) 123-4567. A Party may change its address by notice in writing to the other, as provided hereinabove.

What it means

If the creator needs to tell Webcomix something officially (like "you breached the contract"), here's how to do it and where to send it.

Webcomix also requires that a copy be sent to their lawyers. That's them making sure their lawyers are always in the loop.

13.4 Governing Law.

This Agreement shall be construed and interpreted, and all questions as to performance determined in accordance with the laws of the State of New York applicable to contracts executed and to be fully performed in the State of New York. The state and federal courts located in Manhattan County, New York, shall have exclusive jurisdiction to adjudicate any dispute arising out of or relating to this Agreement. Each Party hereby consents to the exclusive jurisdiction of such courts.

What it means

If Jane has a problem and needs to sue them, she must do it in New York.

It may not look like it, but this is a huge burden. If Jane lives in the United Kingdom or in California, she now has to travel to New York, hire a New York lawyer, and fight in a New York court.

This is designed to make suing them so expensive and hard that Jane would just give up.

13.5 Waiver and Cumulative Remedies.

No failure or delay by either Party in exercising any right under this Agreement shall constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a Party at law or in equity.

What it means

If they don't punish the creator for breaking a rule today, that doesn't mean they can't punish her for breaking it tomorrow. They can ignore stuff and still hold it over her head later.

13.6 Severability.

If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision shall be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement shall remain in effect.

What it means

If a judge says one part of this contract is illegal, they don't throw out the whole thing. They either change that part to make it legal or cut it out, and the rest of the contract goes on.

This is standard, but it protects them. If one of their nasty clauses gets struck down, they don't lose the whole deal.

13.7 Non-Exclusivity.

Neither party shall be exclusive to this Agreement. Each party may work on other projects in the entertainment and literary industries. However, each party will use good faith efforts to devote as much time as is reasonably necessary to fulfill each party's respective duties and obligations in connection with this Agreement and the development, production, distribution, and exploitation of the Work.

What it means

Jane can work on other comics. Webcomix can work with other creators. Nobody is locked into only working with each other.

This sounds fair, but remember Section 12 (Competitive Works). Jane can work on other projects, unless Webcomix decides those projects are "similar" to this one.

There is a lack of exclusivity in theory, but in practice, they can control anything else Jane can make.

13.8 Force Majeure.

The failure to publish any of the Work shall not be deemed to be a violation of this Agreement or give rise to any right of termination or reversion if such failure is caused by delays due to restrictions of government agencies, labor disputes, fire, earthquakes, terrorism, acts of God, or for any other reason beyond Webcomix's reasonable control.

What it means

If something crazy happens: a pandemic, a fire, an earthquake, the government shuts things down, etc., and they can't publish Jane's comic, that's not their fault. Jane can't sue them or reclaim her rights.

Notice who this protects: only Webcomix. If they can't publish because of a disaster, Jane is stuck waiting. However, if Jane can't deliver because of a disaster? That constitutes a "material breach" (see Section 1.2).

The contract doesn't protect each Party equally.

13.9 Entire Agreement.

This Agreement, including its schedule(s), constitutes the entire agreement between the Parties with respect to the subject matter hereof, and supersedes and replaces any prior correspondence, negotiations, agreements, understandings, and representations, whether written or oral, with respect thereto. This Agreement may not be modified or amended unless in writing, signed by both Parties. Notwithstanding the foregoing, the Parties may negotiate a more detailed agreement regarding Ancillary Rights, Derivative Works, and other provisions. Until execution of such agreement(s), this Agreement shall be binding upon the Parties.

What it means

If someone promised the creator something in an email or over coffee, like "don't worry, we'll never actually use that clause," it doesn't matter. If it's not in this document, it's not part of the deal.

Also, they say they might make a "more detailed" agreement later about print, movies, etc. But until that happens, this contract controls everything.

13.10 Assignment.

This Agreement is binding upon the parties and their assigns, heirs, executors, successors, or administrators, but no assignment shall be binding upon either of the parties (and any purported assignment will be null and void) without the written consent of the other. The foregoing notwithstanding, the parties shall have the right to assign this Agreement, in whole or in part, to any of its member or parent companies, to any subsidiary or affiliated companies, or as part of a merger or in connection with the sale of all or substantially all of a party's business, assets, or equity.

What it means

Normally, neither Party can sell the contract to someone else without permission. That's the first sentence. But then comes the exception! They can sell Jane's contract to:

- Their parent company;
- Their subsidiary;
- Any "affiliated" company;
- Anyone who buys their business.

Jane doesn't get a vote; however, Jane cannot sell her side of the deal without their permission.

13.11 Execution in Counterparts.

This Agreement may be executed in counterparts and transmitted by facsimile copy, each of which shall constitute an original and which, taken together, shall constitute the Agreement.

What it means

The creator can sign separate copies and email them back and forth. It's still a valid contract. Standard and fine.

13.12 Headings.

The headings of paragraphs and sections hereof are inserted only for the purpose of convenient reference. Such headings shall not be deemed to govern, limit, modify, or in any other manner affect the scope, meaning, or intent of the provisions of this Agreement or any part or portion thereof, nor shall they otherwise be given any legal effect.

What it means

Titles such as "Grant of Rights" or "Ownership" are just labels and cannot be relied on to understand what the clause means. The actual words matter, not the headings. Standard and fine.

IN WITNESS WHEREOF, the parties have executed this Agreement on the Effective Date through their authorized representatives.

What it means

Fancy way of saying "We both sign here."