

LICENSE AGREEMENT

THIS AGREEMENT (the "Agreement") is hereby made effective as of January 1, 2003 ("Effective Date") between Mattel Europa BV, a corporation organized and existing under the laws of the Netherlands ("Mattel") and the Asociación Española de Jugadores de Scrabble, a Spanish nonprofit civil association with its registered office at Queimada Nivel Q, Independencia 323, 08025 Barcelona, Spain ("Licensee").

R E C I T A L S

WHEREAS, Mattel is the owner of the rights being granted herein with respect to the Property (as defined below);

WHEREAS, Licensee desires to obtain the right to use the Property in connection with the Club (as defined below), and Mattel is willing to grant Licensee such right on the terms and conditions hereinafter set forth.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed as follows:

1. DEFINITIONS / TERMS

1.1 Club: A club formed specifically and solely for the promotion and enjoyment of the Scrabble™ game in the Territory.

1.2 Property: Trademarks and copyrights owned by Licensor which are associated with the Scrabble™ property.

1.3 Term: Commencing on the Effective Date, as set forth above, and ending on December 31, 2004. The Term shall be automatically extended for one (1) two-year period commencing upon the expiration of the then-current Term, unless Mattel gives Licensor written notice of its intention not to renew at least ten (10) days prior to the expiration of the then-current Term.

1.4 Territory: Spain.

2. RIGHTS AND RESPONSIBILITIES

2.1 In accordance with the terms set forth herein, Mattel grants to Licensee a limited, non-exclusive, royalty-free license to use the Property solely (i) as part of the Club's corporate name; and (ii) in documentation created to promote Club activities. Under no circumstances may Licensee use the Property on or in connection with any products which are offered for sale.

2.2 Licensee shall submit all materials which include the Property to Mattel for its prior written approval, which may be granted at Mattel's sole discretion. Mattel shall use reasonable efforts to provide written approval in a timely manner, but in no event shall Mattel's failure to respond be considered approval. The use by Licensee of any unapproved materials will be a material breach of this Agreement and will be cause for immediate termination.

3. STANDARDS

Licensee represents and warrants that it will comply with all applicable industry and government standards of the Territory, whether federal, state or local, and that its activities hereunder shall be of a high standard and shall in no manner reflect adversely upon the good will of Mattel or the Property.

4. TERM & TERMINATION

The term of this Agreement will commence and end as of the dates set forth above in Section 1.3, unless terminated sooner. Either party may terminate this Agreement at any time upon ten (10) days' prior written notice to the other party.

5. RECORDS AND REPORTS

5.1 Licensee agrees to keep such full and accurate records as are necessary to verify Licensee's compliance with its obligations under this Agreement.

5.2 Licensee agrees to permit Mattel or its authorized representative to have full access to such records required under this Section 5, to examine them, and to make copies of them during normal business hours upon reasonable notice.

6. DILIGENCE AND GOOD WILL

6.1 Licensee agrees to exercise its best efforts in the performance of this Agreement.

6.2 Licensee acknowledges the importance and great value of the goodwill associated with Mattel and the Property. Licensee shall uphold Mattel's good name and protect Mattel's property rights and associated rights or interests during the term of this Agreement and thereafter. Mattel shall have the right to immediately terminate this Agreement in the event that Licensee engages in any behavior or activities that may directly or indirectly damage Mattel's reputation or goodwill.

7. INTELLECTUAL PROPERTY

7.1 Licensee hereby acknowledges the validity of the Property and of any copyright or trademark pertaining thereto and Mattel' s exclusive rights therein. Licensee will not make any representation or do any act which may be taken to indicate that it has any right, title or interest in or to the ownership or use of any of the Property except as permitted under the terms of this Agreement, and acknowledges that nothing contained in this Agreement shall give Licensee any continuing right, title or interest in or to the Property. Licensee agrees not to contest the validity of Mattel' s rights or perform any act or omission adverse to the Property or to said exclusive rights, and agrees that any and all use of the Property by Licensee hereunder shall inure to the benefit of Mattel.

7.2 Licensee agrees to take whatever action is appropriate or necessary to protect Mattel' s rights in the Property including, but not limited to, cooperating in any new domestic or foreign applications for intellectual property registration pursued by Mattel, at Mattel' s expense.

7.3 During and after the term of this Agreement, Licensee agrees and warrants that it will not reproduce or use, or cause or enable another to reproduce or use, either within or outside the Territory, any trademarks or other related rights derived from or confusingly similar to the Property.

8. CONFIDENTIALITY

During and subsequent to the term of this Agreement, Licensee, its agents, and its employees shall not make any unauthorized use or disclosure of any knowledge or information of a confidential or proprietary nature concerning the Property, or other private or confidential matters of Mattel, and shall refrain from any acts or omissions that would reduce the value of such confidential matters to Mattel or that would deprive or tend to deprive Mattel of trade secret or other intellectual property protection with respect to such confidential matters.

9. TRANSFERABILITY

9.1 Mattel shall have the right to assign its rights and obligations under this Agreement.

9.2 The rights and obligations of Licensee under this Agreement are of a personal nature, and Licensee may not assign, sublicense or otherwise transfer any or all of its rights and/or obligations hereunder without prior written consent of Mattel.

10. WARRANTY AND INDEMNIFICATION

10.1 The Licensee hereby warrants and represents to Mattel:

- (a) that it has the authority to enter into and perform its obligations under this

Agreement;

- (b) that it shall comply with all terms and conditions of this Agreement;
- (c) that it is a nonprofit association, will not use the Property in profit-making activities, and will not use the Property on any products which are offered for sale; and
- (d) that the Property shall be used solely in conjunction with the promotion of the Scrabble™ game in the Territory.

10.2 Licensee agrees to indemnify Mattel, its present and future directors, shareholders, officers, agents and employees, and to undertake to defend and hold them and each of them harmless from and against any and all claims, demands, causes of action, damages, liabilities, costs and expenses, including reasonable legal fees, arising from the activities of Licensee or any of its employees or agents, under this Agreement, or out of any breach by Licensee of any warranty made by Licensee herein, including but not limited to any unauthorized use by Licensee of any trademark and copyright of a third party, and/or any breach of any term or condition in this Agreement.

10.3 Mattel warrants that it possesses full power, authority, and all rights necessary to enter into this Agreement. For the avoidance of doubt, and notwithstanding anything to the contrary herein, no warranty or indemnity is given by Mattel with respect to any claim, demand, or action, or any damage, liability, cost, or expense, arising from any claim that use by Licensee of any Property infringes on any trademark or other right of any third party or otherwise constitutes unfair competition by reason of any prior rights acquired by such third party other than rights acquired from Mattel. In connection therewith, Licensee is solely responsible for carrying out such investigations as it may deem appropriate to establish that its use of Property, as permitted by Mattel, does not infringe such right of any third party, and Mattel shall not be liable to Licensee if such infringement occurs.

11. EFFECT OF TERMINATION OR EXPIRATION

11.1 In the event of termination or expiration of this Agreement, Licensee is not relieved of its liabilities accruing up to the time of termination. Any and all patents, trademarks, copyrights or related rights accruing to Licensee by virtue of its activities under this Agreement shall vest automatically at the time of accrual solely and exclusively in Mattel, and Mattel may execute documents on behalf of Licensee to secure or effectuate such rights; Licensee shall assist Mattel in securing and effectuating such rights after termination as well as before termination.

11.2 Licensee agrees that upon termination or expiration of this Agreement Licensee shall forthwith cease and desist from all use of the Property, including without limitation use of the Property in the corporate name of the Club.

11.3 Licensee agrees that upon expiration or termination of this Agreement under any of its provisions, Licensee shall deliver to Mattel without cost any artwork or devices involving the Property, whether or not it was provided by Mattel.

12. REMEDIES

12.1 In the event Mattel is required to take legal action against Licensee to enforce any of the provisions of this Agreement, Licensee agrees to pay Mattel' s reasonable attorneys' fees, expenses and court costs.

12.2 Licensee agrees not to hold Mattel liable for any indirect, punitive, special, incidental or consequential damages, including lost profits, caused by any breach of this Agreement by Mattel.

13. GENERAL PROVISIONS

13.1 ENTIRE AGREEMENT. This writing represents and expresses the entire agreement of the parties hereto. It replaces and supersedes all prior contracts, representations and understandings (written or oral) between the parties concerning the within subject matter.

13.2 WAIVER. Any waiver, modification, or cancellation of any term or condition of this Agreement must be in writing. Licensee further understands and agrees that any oral representations, which have not been reduced to a formal writing signed by both parties, cannot be construed as a promise or obligation by Mattel to renew or extend this Agreement. No waiver by either party, whether express or implied, of any provisions of this Agreement or of any breach or default of either party shall constitute a continuing waiver of any other provision of this Agreement, and no such waiver by either party shall prevent such party from enforcing any and all provisions of this Agreement or from acting upon the same on any subsequent breach or default of the other party.

13.3 HEADINGS. Captions and headings to sections are included solely for convenience and are not intended to affect interpretation of any provision of this Agreement.

13.4 FORM OF NOTICES. All notices and statements shall be in writing and, together with all payments provided for herein, shall be given at the respective addresses of the parties set forth above, or at such changed address as the recipient shall have provided in writing. All notices to the Licensee required hereunder shall be deemed given when mailed by certified mail, return receipt requested, by courier or overnight delivery service, or by telex or telecopier and addressed to the Licensee at the address specified above.

13.5 GOVERNING LAW. With respect to any disputes arising out of this Agreement, the parties hereby submit that this Agreement shall be governed by and interpreted in accordance with the laws of the Netherlands.

13.6 JURISDICTION. Any disputes under this Agreement shall be brought before the appropriate judicial body in the Netherlands, and Licensor and Licensee hereby irrevocably submit to the jurisdiction of said court. Each party hereby waives all rights it has or which may, hereafter, arise to contest such exclusive jurisdiction.

13.7 SEVERABILITY. If any provision of this Agreement is found to be illegal or unenforceable, then such provision will be deemed severable from the remainder of this Agreement, and the remaining provisions will continue in full force and effect. If any such unenforceability causes or may cause an injustice to a party, then that party may terminate this Agreement upon notice to the other party.

IN WITNESS WHEREOF, the parties hereto intending to be bound hereby execute this Agreement by their duly authorized representatives on or about the Effective Date indicated above.

Mattel Europa BV

Asociación Española de Jugadores de Scrabble

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____