

FORM PTO-1585

Rev. 6-83)

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U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

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To the Honorable Commissioner of Patents

d original documents or copy thereof.

1. Name of conveying party(ies):

William Scheremet 7-27-98
 Martin W. Van Buren 7-27-98
 John W. Adams 8-11-98
 Jonathan W. Lueders 8-2-98
 Additional name(s) of conveying party(ies) attached? ☒ Yes ☐ No

2. Name and address of receiving party(ies)

Name: GreenField Medical Technologies Inc.

Internal Address: _____

Street Address: 40 Valentine RoadP.O. Box 283City: Northborough State: MA ZIP: 01532Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☒ Assignment ☐ Merger
☐ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: _____

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s)

B. Patent No.(s)

5,160,322

Additional numbers attached? ☐ Yes ☒ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Donald R. Gorsuch

Internal Address: _____

Street Address: 40 Valentine RoadP.O. Box 283City: Northborough State: MA ZIP: 01532

6. Total number of applications and patents involved:

1

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

02/18/1999 DCURTES 00000030 5160322

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9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Donald R. Gorsuch

Name of Person Signing

Donald R. Gorsuch

Signature

2/4/99

Date

Total number of pages including cover sheet, attachments, and document: ☐Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box AssignmentsPATENT
REEL: 9534 FRAME: 0084

PATENT ASSIGNMENT AGREEMENT

This Patent Assignment Agreement ("Agreement") is by and between William Scheremet and Martin Van Buren, individuals residing at their respective addresses indicated in Section IX hereof (hereinafter referred to as the "Inventors"), and Greenfield Medical Technologies, Inc., a corporation having its principal place of business at 40 Valentine Road, Northborough, MA 01532 (hereinafter referred to as "GreenField").

Reference is made to the following facts:

1. The Inventors have heretofore provided GreenField with certain technical information relating to Occlusive Chest Sealing Valve Device(s) as defined below.
2. GreenField is desirous of securing an assignment of current U.S. Patent #5,160,322 and related foreign equivalents, and related future patents (hereinafter collectively referred to as "Patent(s)") in the United States and throughout the world, and the Inventors are willing to grant the same.
3. GreenField is willing to pay the reasonable expenses of the Inventors to have effect the assignment of the Patent(s) to GreenField.

NOW, THEREFORE, in consideration of the premises and mutual covenants and agreements set forth herein, the Parties hereto agree as follows:

I. DEFINITIONS

As used in this Agreement the following definitions shall apply:

- A. Assigned Interest Holder(s). The term "Assigned Interest Holder(s)" means named individuals, as specified in Section III (C) hereof who have previously been assigned financial interests in the Patent(s) by the Inventors.
- B. Assigned Product(s). The term "Assigned Product(s)" means any Occlusive Chest Sealing Valve Device(s) manufactured by or for GreenField and covered by at least one claim of the Patents. "Assigned Product(s)" shall also include products made or sold as replacement parts for repairing or reconstructing any Occlusive Chest Sealing Valve Device(s) covered by at least one claim of the Patents.
- C. Effective Date. The term "Effective Date" shall mean the first day that it has been executed by authorized representatives of all the Parties.
- D. Fiscal Year. The term "Fiscal Year" shall mean the one (1) year time period occurring between consecutive anniversary date(s) of the execution of the Agreement by the Parties.

- E. **Net Sales.** The term "Net Sales" shall mean the cumulative amounts invoiced (not merely cash receipts) by GreenField for sales of Assigned Product(s) to an independent third party, less the following deductions, where applicable: (i) discounts allowed and taken in amounts customary in the trade; (ii) outbound transportation and packing specifically billed or prepaid; (iii) sales and use taxes upon and with specific reference to specific sales; and (iv) amounts refunded or credited upon the purchase price on returned apparatus.
- F. **Occlusive Chest Sealing Valve Device(s).** The term "Occlusive Chest Sealing Valve Device(s)" shall mean pneumothorax dressing technology using a cavity sealing device for emergency management to prevent pressure buildup within the thoracic cavity, and for general therapeutic and diagnostic medical purposes.
- G. **Notice.** The term "Notice" shall have the meaning specified in the Notice requirements set out in Section IX of the Agreement.
- H. **Party, Parties.** The term "Party" shall mean either the Inventors or GreenField. The term "Parties" shall mean the Inventors and GreenField, collectively.
- I. **Person.** The term "Person" shall mean and include an individual, corporation, partnership, joint venture, or other legal or commercial entity.

II. **TERMS AND CONDITIONS**

- A. **Assignment Grant.** Subject to the terms and conditions set forth below, the Inventors grant to GreenField an assignment of all right, title and interest under the Patents:
1. Any maintenance fees, etc., including legal fees, expended in connection with the Patents which are incurred following the date this Agreement is signed by the Parties, will be paid by GreenField. If GreenField declines to continue paying maintenance fees on a Patent, then that Patent shall be assigned back to the Inventors at their request.
 2. The Inventors also hereby assign to GreenField any continuations and divisions, as well as foreign equivalents of Patents, provided that GreenField agrees to pay for any application fees, maintenance fees, etc., including legal fees, expended in connection with the new Patent applications. If GreenField declines to continue paying maintenance fees on a Patent, then that Patent shall be assigned back to the Inventors at their request.

3. In the event that the Inventors obtain any U.S. patents or foreign equivalents on devices related to any other Occlusive Chest Sealing Valve Device(s), they will grant GreenField the right to examine such patents and devices for a period of ninety (90) days and a First Right of Refusal for the license or assignment of such patents.

4. All Patents assigned hereunder shall be subject to a separate GreenField Responsibilities pledge specified in Section II(D) hereof commencing immediately after the date such Patents are assigned.
- B. **Licenses.** GreenField shall have the right to grant licenses consistent with this Agreement provided that GreenField shall be responsible for the operations of its licensees relevant to this Agreement as if such operations were carried out directly by GreenField, including the payment of royalties to the Inventors when collected by GreenField. GreenField will use its best efforts to collect all royalties due from its licensees but does not guarantee collection thereof. GreenField shall provide the Inventors with the name and address of each licensee and each license agreement shall contain a provision allowing a third party CPA to inspect the licensee's books to verify payments due under this Agreement.
- C. **Assignment Term.** The assignment granted under Section II(A) above shall begin on the Effective Date of this Agreement and terminate on the expiration date of the last assigned Patent.
- D. **GreenField's Responsibilities.** During the term of the Agreement, GreenField agrees to use all reasonable efforts to design, manufacture or have manufactured, and aggressively promote and sell the Assigned Product(s). Such efforts shall include all efforts which are customary and usual in the trade for developing, introducing and maintaining a new or improved product and include, but are not limited to, preparation of customary marketing and advertising materials and other customer support. Such efforts shall further include the submission of an application to the FDA as soon as it receives all the necessary information from the Inventors.
- E. **Additional Documents.** The Inventors agree to execute such instruments of assignment and such other documents as may reasonably be requested by GreenField in furtherance of the provisions of this Agreement.

III. ROYALTIES; OWNERSHIP PERCENTAGES; INCENTIVE PAYMENTS

- A. **Royalties.** Royalties will be paid at a rate of seven percent (7%) on Net Sales of Assigned Product(s). In order to develop a market presence for the Assigned Products, except as provided below, royalties earned on the first one hundred thousand dollars (\$100,000) of Net Sales will be dedicated exclusively to aggressively promoting and marketing the Assigned Products. Royalty payments will be paid only during the life of the related Patents.

B. Incentive Payment(s).

1. In the initial Fiscal Year when Net Sales of Assigned Product(s) reach two hundred thousand dollars (\$200,000) or greater, GreenField will pay to the Inventors, on a one-time basis, an additional lump-sum of six thousand dollars (\$6,000). In the initial Fiscal Year when Net Sales reach five hundred thousand dollars (\$500,000) or greater, GreenField will pay to the Inventors, on a one-time basis, an additional lump-sum of twelve thousand dollars (\$12,000). In the initial Fiscal Year when Net Sales reach seven hundred fifty thousand dollars (\$750,000), GreenField will pay to the Inventors, on a one-time basis, an additional lump-sum of twenty thousand dollars (\$20,000).
2. All incentive payments shall be in addition to the regular royalty fees. In return for these additional incentive payments, and to assist in promoting the sales of Occlusive Chest Sealing Valve Device(s) the Inventors, at the written request and expense of GreenField, will help in reviewing, encouraging and facilitating clinical testing and publishing studies comparing the Occlusive Chest Sealing Valve Device(s) to other similar devices, specifically including the results of an animal study previously conducted by Dr. Ernest Ruiz.

C. Ownership Percentages. GreenField will pay the royalty and incentive amounts specified above to the Inventors and Assigned Interest Holders in accordance with their individual ownership interests as indicated below:

- | | |
|---|-----|
| • John W. Adams, Assigned Interest Holder | 10% |
| • William Scheremet, Inventor | 43% |
| • Marin Van Buren, Inventor | 43% |
| • Jonathan W. Lueders, Assigned Interest Holder | 04% |

D. Payment Schedule and Reporting Requirements. Royalties and incentive payments for Assigned Product(s) sold in a calendar quarter shall be paid within thirty (30) days following the last day of such calendar quarter. GreenField will provide a standard set of reports to the Inventors every quarter with information regarding the Assigned Product(s), including the following:

1. A quarterly shipping and sales report of such Assigned Product and any adjustments from prior periods.
2. A quarterly report showing all promotional, marketing, advertising and other expenses by category with respect to each Assigned Product.

In addition, GreenField shall provide a quarterly statement to the Inventors one (1) month after the end of any three (3) month period showing the calculations of

royalties and incentive payments, along with the aforementioned payment for the royalties and incentive payments earned in that quarter.

E. Inspections.

1. During the term of this Agreement, provided that reasonable Notice is given by the Inventors or their designee, GreenField shall make available its books and records for an annual inspection on a confidential basis during normal business hours by a third party CPA selected by the Inventors and approved by GreenField (but GreenField shall not unreasonably withhold such approval). Such inspection(s) shall be solely for the purpose of verifying royalty and incentive payments due under Sections III(A) and (B), or expenditures set forth in Section III(D)(2) above.
2. The Inventors shall bear the expense of such inspections, provided that the inspection does not reveal an underpayment of more than ten percent (10%) of royalties or incentive payments earned or overstatement of expenditures by ten percent (10%) or more than reported, in which case GreenField shall bear the expense of the inspection. In the event that the Inventors uncover what they believe to be an underpayment of royalties or incentives by GreenField, the Inventors shall provide GreenField with Notice of same and if confirmed to be true by all the Parties, GreenField shall remit payment therefor within ten (10) days of such Notice.

IV. ENFORCEMENT OF ASSIGNED PATENT(S)

- A. **Infringement By Third Parties.** In the event that any assigned Patent is infringed, GreenField shall, at its own expense and with diligence, undertake any act necessary to protect the rights of all Parties under this Agreement. In the event it declines to prosecute any action for infringement of any assigned Patent for its own account, GreenField shall, at the request and expense of the Inventors, join such action with the Inventors for the purpose of litigation, and assign to them the right to prosecute any third parties for acts of infringement of the assigned Patent. If, pursuant to the above, the Inventors prosecute any third parties for infringement of the assigned Patent, any monies collected through such action shall be retained exclusively by the Inventors.
- B. **Indemnification by GreenField.** In the event any action is commenced against GreenField or any of its licensees, its customers, distributors, agents or dealers arising out of their authorized manufacture, use or sale of the assigned inventions, or in the event any action alleges that the assigned inventions infringe the claims of any patent, GreenField, at its expense, shall defend such action and indemnify the Inventors against any such expense or cost arising out of said action. Any such legal and

indemnification expenses caused by patent infringement events shall be offset against royalty payments. ~~If such expenses are not related to patent issues, and sales are interrupted, the legal and indemnification expenses shall also be offset against royalty payments.~~ ^{M3 del} ^{W3} ^{9/26-} If sales are not interrupted from such an event, up to fifty (50) percent of the royalty may be withheld for any expenses, costs and/or damages incurred or paid by GreenField in the defense of or by reason of such action.

V. REPRESENTATIONS

Nothing contained in this Agreement shall be construed as a warranty or representation by the Inventors that any manufacture, sale, lease or use hereunder shall be free from infringement of patents other than the Patents described herein.

VI. SIGNATURE AUTHORITY

GreenField, and its representative executing this Agreement, both warrant and represent that such representative has the actual authority to enter into this Agreement on behalf of and to bind GreenField thereby.

VII. TERMINATION

This Agreement shall remain in full force and effect unless either Party provides Notice to all the other Parties of termination in accordance with the terms set forth herein:

A. Right to Terminate for Cause. The Inventors may terminate this Agreement and all rights granted under this Agreement, for cause, by providing GreenField written Notice and reasonable opportunity to cure an alleged default or make payment, if:

1. GreenField fails to make royalty and incentive payments in the amount and within the time period specified in Paragraph III(A), (B), (C) or (D);
2. GreenField fails to provide the reports specified in Paragraph III(D); GreenField defaults in the performance of any other material obligation under this Agreement and the default has not been remedied within thirty (30) days after written Notice to GreenField describing the default;
3. GreenField fails to exercise its responsibilities in promoting and selling Assigned Product(s) pursuant to Paragraph II(D);
4. GreenField becomes involved in any voluntary or involuntary bankruptcy or other insolvency proceeding; or
5. GreenField ceases to be actively engaged in business or financially capable of fulfilling its obligations under this Agreement.

B. **GreenField's Right to Terminate.** GreenField may terminate this Agreement at any time with or without cause upon thirty (30) days written Notice to the Inventors. Upon such termination GreenField will promptly assign back previously assigned Patents and applications to the Inventors.

C. **In the Event of Termination.**

In the event that this Agreement is terminated:

1. **GreenField's Rights Upon Termination.** The assignment and all other rights granted to GreenField under this Agreement shall terminate; provided, however, there shall be no restriction on the right of GreenField's customers to continue to use the Assigned Products sold prior to the termination; further, provided, however, that GreenField shall have the right (but not the obligation) for a period of one hundred eighty (180) days after such termination, to sell off its existing inventory of Assigned Product(s), which shall be subject to royalties under Section III. Upon termination, GreenField shall immediately assign by written instrument to the Inventors all rights and interests, consistent with the above, in any U.S. or foreign Patent(s) assigned hereunder.
2. **Obligation to Refund.** After termination of this Agreement, the Inventors shall have no obligation to refund any money paid to them under this Agreement.
3. **Continuation of Obligations.** After termination of this Agreement, GreenField's obligations to make payments owed to the Inventors prior to such termination, including royalties, initial & incentive payments under Section III for Assigned Product(s) sold prior to the termination, shall continue. GreenField shall also pay royalties on any inventory sold after termination pursuant to Section VII(C)(1).
4. **No Damages for Termination; No Effects on Other Rights and Remedies.** No Party will be liable for damages of any kind as a result of properly exercising its right to terminate this Agreement, and termination of this Agreement will not affect any other right or remedy of any Party.
5. **Reassignment Expenses.** In the event that this Agreement is terminated for cause, GreenField shall be liable for the costs associated with reassigning the Patent(s) to the Inventors.

VIII. **PATENT MARKING**

GreenField shall mark Assigned Product(s) or the packaging containing such Assigned Product(s) with appropriate patent numbers.

IX. **NOTICE**

- A. **Form.** All Notices required under this Agreement shall be in writing and in the English language, and shall be sent by one (1) of the following means:

1. Certified or registered first class airmail, postage prepaid;
2. Telex; or
3. Telefax.

B. **Addresses.** All Notices required under this Agreement shall be directed to the addresses set out below:

Inventors:

John W. Adams
6128 Abbott Avenue South
Edina, MN 55410

William Scheremet
617 Main Street NE
Minneapolis, MN 55413

Martin W. Van Buren
2103 128th Lane NW
Coon Rapids, MN 55448

Jonathan W. Lueders
1140 Crystal Bay Road
Post Falls, ID 83854

Greenfield:

Mr. Donald R. Gorsuch, President
GreenField Medical Technologies, Inc.
40 Valentine Road
Northborough, MA 01532

- C. **Effective Date of Notice(s).** All Notices required under this Agreement shall be deemed to have been duly given ten (10) days after the mailing thereof to the addresses in the case of Notice given by first class, certified or registered first class airmail, postage prepaid, or upon receipt by such addressee in the case of Notice by telex or telefax.

X. RESOLUTION OF DISPUTES

- A. **Arbitration.** The Inventors, Assigned Interest Holder(s) and GreenField agree that, except as otherwise provided herein, any dispute arising out of this Patent Assignment Agreement shall be settled through arbitration. The arbitration shall be carried out by a single arbitrator who shall be appointed by the American Association of Arbitration.
- B. **Location.** Any arbitration action based in whole or in part on this Agreement shall be brought in, and the Parties consent to the venue and jurisdiction of, American Association of Arbitration location closest to GreenField.

- C. **Arbitration Fees.** The cost of such arbitration shall be borne by the losing Party in such action.

XI. GENERAL TERMS AND CONDITIONS

- A. **Relationship Created By Agreement.** Each of the Parties hereto is a separate and independent legal entity. Nothing herein contained shall be construed or deemed hereby to create a principal/agent relationship between the Parties, nor any form of partnership or joint venture.
- B. **Waivers.** Waiver of default or breach of any term or provision of this Agreement shall not be construed as a waiver of the same term or provision or any other term or provision in any subsequent default or breach.
- C. **Assignment.** Any rights accruing under this Agreement, may not be assigned by a Party without the written consent of the other Parties. Such consent shall not be unreasonably withheld. The delegation of any obligations or duties arising under this Agreement may be executed only with the written consent of all other Parties hereto and any such delegation without such written consent shall be void; for the purpose of this Agreement, the terms "Inventors", "Assigned Interest Holder(s)" and "GreenField" shall include the successors, heirs, assignees and legal representatives thereof.
- D. **Governing Law and Forum.** The validity, construction, and performance of this Agreement shall be governed by the laws of the Commonwealth of Massachusetts without regard to principles of conflict of law.
- E. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the remaining provisions shall remain in full force and effect to the extent that the intent of the Parties can be fulfilled.
- F. **Amendments.** This Agreement shall not be varied, amended, modified or supplemented except by a writing signed by duly authorized representatives of both Parties.
- G. **Contract Interpretation.** Ambiguities, inconsistencies, or conflicts in this Agreement shall not be strictly construed against the drafter of the language, but will be resolved by applying the most reasonable interpretation under the circumstances, giving full consideration to the Parties' intentions at the time this Agreement is entered into.
- H. **No Third Party Rights.** This Agreement is not for the benefit of any third party, and shall not be considered to grant any right or remedy to any third party whether or not referred to in this Agreement.
- I. **Singular and Plural Terms.** Where the context of this Agreement requires, singular terms shall be considered plural, and plural terms shall be considered singular.

- J. **Headings.** The headings of the various sections and subsections of this Agreement have been inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.
- K. **Counterparts.** This Agreement may be executed in any number of counterparts and by the different Parties hereto in separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- L. **Statement of Understanding.** Each of the Parties understand and acknowledges that obligations are imposed by and under this Agreement; that such obligations are reasonable and necessary to protect their respective interests; and that they have had the opportunity to be represented by competent legal counsel in the negotiation of this Agreement.
- M. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties, and supersedes all prior and contemporaneous negotiations and agreements between the Parties concerning its subject matter. The Parties acknowledge that they have not relied upon any representation whatsoever of the other which is not contained in this Agreement. There are no understandings, obligations, representations or warranties except as herein provided for and no rights are granted except as expressly set forth in this Agreement.

In witness whereof, the Inventors, Assigned Interest Holders and and GreenField Medical Technologies, Inc. have caused this Agreement to be executed.

Dated:
By:

8/11/98

John W. Adams
John W. Adams, Assigned Interest Holder *

Dated:
By:

27 JUL 98

William Scheremet
William Scheremet, Inventor

Dated:
By:

7/27/98

Martin Van Buren
Martin Van Buren, Inventor

Dated:
By:

9/2/98

Jonathan W. Lueders, MD
Jonathan W. Lueders, Assigned Interest Holder *

GREENFIELD MEDICAL TECHNOLOGIES, INC.

Dated:
By:

7/21/98

Donald R. Gorsuch
Donald R. Gorsuch, President

~~* Execution of this Patent Assignment Agreement by the Assigned Interest Holder(s) is for disclosure purposes only. The Assigned Interest Holder(s) shall have no rights hereunder. The right to receive compensation for their interests in the Patents is the subject of a separate~~ ^{M3 026} _{WS} _{gmb}