

02-09-1999



IN THE CLASS 100961935

PATENT AND TRADEMARK OFFICE

2.1.99

APPLICATION NO.: 09/180,453

INTERNATIONAL APPLICATION NO.: PCT/EP97/02312

APPLICANTS: Werner Born & Karl-Wilhelm Thomas

TITLE: A Method for the Manufacture of Individual Pipe Section
of a Pipe as well as Pipe Manufactured in that Manner.

FILING DATE: November 6, 1998

INTERNATIONAL FILING DATE: May 7, 1997

PRIORITY DATE CLAIMED: May 9, 1996

Attorney Docket No.: 9-58

BOX ASSIGNMENTS

ASSISTANT COMMISSIONER FOR PATENTS
WASHINGTON, D.C. 20231

**COVER SHEET FOR ASSIGNMENT (37 CFR 1.331) ACCOMPANYING
INTERNATIONAL APPLICATION ENTERING NATIONAL STAGE
IN U.S. DESIGNATED OFFICE (DO/US) UNDER 35 U.S.C. 371**

IDENTIFICATION OF APPLICATION (37 CFR 3.21 and 37 CFR 3.31(a)(4))

1. The patent application provisional patent application
filed herewith and, to which the attached assignment (document)
refers, is identified as follows:

- a. Type of application
 - Application of patent (37 C.F.R. 1.53(b))
 - Continued prosecution (nonprovisional) application
(37 C.F.R. § 1.53(d))
 - Provisional application (37 C.F.R. 1.53(c))
 - International application (37 C.F.R. 1.431)
- b. United States Filing Date: November 6, 1998
- c. Name of each inventor:
 - 1: Werner Born
 - 2: Karl-Wilhelm Thomas
 - 3:

d. Title of invention: A METHOD FOR THE MANUFACTURE OF INDIVIDUAL PIPE SECTIONS OF A PIPE AS WELL AS A PIPE MANUFACTURED IN THAT MANNER

NAME OF PARTY(IES) CONVEYING INTEREST (37 CFR 3.31(a)(1))

2. The party(ies) conveying this interest is (are):

Name 1: Karl-Wilhelm Thomas
Name 2:
Name 3:

NAME AND ADDRESS OF PARTY(IES) RECEIVING INTEREST (37 CFR 3.31(a)(2))

3. The rights are being conveyed to:

Name: Anco Industries, Inc.
Address: 15981 Airline Highway
Baton Rouge, LA 70817-7412

Telephone No.:

DESCRIPTION OF INTEREST CONVEYED OR TRANSACTION RECORDED (37 CFR 3.31(a)(3))

4. The accompanying document intends to accomplish:

- an assignment.
- a security agreement.
- a license.
- a merger.
- a change of name.
- a change of address.
- other.

NAME AND ADDRESS OF PARTY TO WHOM CORRESPONDENCE SHOULD BE MAILED (37 CFR 3.31(a)(5))

5. Please address correspondence to:

Name: Russel Primeaux
Address: KEAN, MILLER, HAWTHORNE, D'ARMOND,
MCCOWAN & JARMAN, L.L.P.
Post Office Box 3513
Baton Rouge, Louisiana 70821
Telephone No.: (225) 387-0999

DATE ASSIGNMENT (DOCUMENT) EXECUTED (37 CFR 3.31(a)(7))

6. The attached assignment (document) was executed on: December 1, 1998

LANGUAGE OF ASSIGNMENT (DOCUMENT) TO BE RECORDED

- is in the English language.
 is not in the English language. A verified English translation, signed by the individual making the translation is attached.

ORIGINAL DOCUMENT OR TRUE COPY SUBMITTED

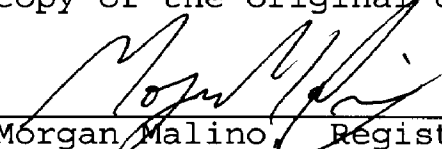
7. Submitted herewith is:
 the original document.
 a true copy of the original document.

NUMBER OF APPLICATIONS IDENTIFIED IN THIS COVER SHEET
AND THE FEE
(37 CFR 3.31(a)(6))

8. A. This cover sheet identifies only one application.
B. The fee for recordal (37 CFR 1.21(h)) is \$40.00.
 Attached is a check for \$40.00.
 Please charge Account _____ \$40.00.
 A duplicate of this cover sheet is attached.

STATEMENT (37 CFR 3.31(a)(9)) AND SIGNATURE (37 CFR 3.31(a)(10))

9. 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.


Morgan Malino, Registration No. 41,177
KEAN, MILLER, HAWTHORNE, D'ARMOND,
MCCOWAN & JARMAN, L.L.P.
Post Office Box 3513
Baton Rouge, Louisiana 70821

January 27, 1999
Date

TOTAL NUMBER OF PAGES BEING SUBMITTED

10. The total number of pages being submitted, including cover sheet attachment(s), and documents are: 8

LICENSE AGREEMENT

LICENSOR

Karl-Wilhelm Thomas
Emsweg 7
41540 Dormagen
Germany

LICENSEE

Anco Industries, Inc.
15981 Airline Highway
Baton Rouge, Louisiana 70817-7412

PATENT

German Patent Application No. 1960180370.7-24
(Assignee: Gesundheitstechnik Anton Kastner GmbH & Co. KG; rights for international patent application are at Thomas by contract, dated 20 March 1998)
PCT - patent application PCT/EP 97/02312

Anco will immediately give the order to announce the assigned rights (from Kastner to Thomas) to the PCT organization via Stenger, Watzke und Ring (the original of the above mentioned contract is at the Patent Attorneys and a copy of that at Anco).

GEOGRAPHIC AREA

Exclusive basis for the Western Hemisphere region - North America (Canada, U.S.A., Mexico) Central America, South America, Gulf of Mexico Islands, Caribbean Islands. Except as specifically provided herein, this License shall be deemed to be perpetual, paid up, and exclusive in the Geographic Area. LICENSEE's exclusive rights include, but are not limited to, the countries designated in the PCT Application referenced above, namely Barbados, Brazil, Canada, Cuba, Mexico, St. Lucia and the U.S.A. (referred to herein as "GEOGRAPHIC AREA").

FINANCIAL

- (a) LICENSEE has agreed to pay costs of filing and pursuing the PCT/Patent application for those countries in the GEOGRAPHIC AREA in which LICENSEE has determined that development of the Patent is commercially reasonable. LICENSOR will maintain or cause the Patent to be maintained and pursue commercially viable infringement claims in Germany where Patent protection has been granted. In cases of potential patent infringement claims in the GEOGRAPHIC AREA, the LICENSEE, at its sole discretion, may or may not pursue such claims. If the LICENSEE so determines to pursue such claims, the LICENSOR will provide all reasonable support and documentation.

- (b) LICENSEE agrees to complete all reasonably necessary work to apply for patents at LICENSEE's expense, in those countries in the GEOGRAPHIC AREA covered by the PCT/Patent application, unless LICENSEE determines in its commercially reasonable discretion that such attempt would be futile due to restrictive claims available or otherwise not in LICENSEE's best interest. If LICENSOR requests LICENSEE to go forward with the PCT/Patent application in a country located in the GEOGRAPHIC AREA and LICENSEE is unwilling to do so, the license granted herein shall be nonexclusive in such country thirty (30) days after LICENSOR's written confirmation of LICENSEE's unwillingness to go forward and LICENSEE's continued unwillingness to go forward, and LICENSOR may maintain or pursue the PCT/Patent Application in such country at its discretion and at its own cost, with LICENSEE providing all reasonably necessary documentation therefor.

TERM

The term of this agreement shall be for the terms of the national patents which are granted to LICENSEE on the CHANNEL, unless this license is cancelled after a notice of default on the part of either party hereunder and the failure of the defaulting party to cure such default in accordance with this Agreement. There shall be a thirty (30) day period, after notice, to cure any monetary default hereunder and a ninety (90) day period, after notice, in which to cure any non-monetary default. If a non-monetary default cannot reasonably be cured in the ninety (90) day time frame, the period for cure shall continue so long as the party in default is diligently pursuing cure of the default. Should LICENSOR not be paid royalties as provided for herein, LICENSOR shall have the right at any time during the succeeding license year, after notice, to cancel this exclusive license.

LICENSE FEE AND ROYALTIES

LICENSEE shall compensate LICENSOR in consideration for being granted an exclusive license to manufacture, sell, and license the CHANNEL as follows:

- (a) Royalties shall be paid by LICENSEE to LICENSOR based on the Gross Revenue attributable to sales of the CHANNEL by LICENSEE, its lessees, sublicenses or assigns at the rate of five percent (5%) of such Gross Revenues. The term "Gross Revenue" as used herein shall mean the total, if any, of the gross selling price of the insulating layer with the CHANNEL and outer sleeve, but not the central or product tube, to purchasers of the CHANNEL from LICENSEE or its lessees, sub-licensees or assigns. If the CHANNEL is sold by LICENSEE or its lessees, sublicensees or assigns in combination with betterments or other apparatus, equipment, materials and/or labor to install the same, for a single stated price, the gross selling price for the CHANNEL shall be determined as if it had been sold separately.
- (b) Royalties shall be earned only as Gross Revenue attributable to sales of the CHANNEL covered by the Agreement is actually received by LICENSEE. Royalties earned during each fiscal year of LICENSEE shall be paid to LICENSOR within forty-five (45) days following the end of such fiscal year.

- (c) Notwithstanding anything else contained herein to the contrary, for one (1) year from the effective date hereof, LICENSEE shall not be required to make any sales of the CHANNEL or pay any minimum royalties. Should Gross Revenue be earned during this initial one (1) year period, LICENSEE shall pay LICENSOR the royalty provided for in Section (a) above, at the time such royalty payment is due.
- (d) After one (1) year from the effective date hereof, for as long as this is an exclusive license in at least one country of the GEOGRAPHIC AREA, LICENSEE shall be required to pay LICENSOR the greater of (i) the royalty provided for in Section (a) above, or (ii) Ten Thousand U.S. Dollars (\$10,000 U.S.) as a minimum royalty for each fiscal year during years two, three, and four, and Twenty Thousand U.S. Dollars (\$20,000 U.S.) for the fifth and subsequent years. LICENSEE's fiscal year ends June 30 of each calendar year.
- (e) LICENSEE shall keep accurate records of all of its operations and those of its lessees, sublicensees and assigns within the scope of this Agreement and LICENSOR shall have the right to inspect such records at all reasonable times. LICENSOR shall have the right to inspect and determine the correctness of the bookkeeping and its consistency with the general bookkeeping of the LICENSEE through a licensed auditor. The costs for such an audit shall be paid by the LICENSOR, but in case of discovery of inaccuracies in royalties paid exceeding five percent (5%) of sales, the costs shall be paid by the LICENSEE.
- (f) No royalties whatsoever shall be owed on Gross Revenue for sales of the CHANNEL in a country once the patent in that country expires. Additionally, no royalties shall be owed on Gross Revenue for sales of the CHANNEL in a country if LICENSEE is unable to obtain patent protection in that country.

MARKET IDENTITY / INDUSTRY TRADE NAME

LICENSOR and LICENSEE (hereinafter the "PARTIES") shall, where allowed, utilize the trade name of CHANNEL representing the primary Preinsulated Channel System and wherever it is utilized in connection with other products, such as but not limited to an electrical heat traced system, it shall be referred to as "CHANNEL." In countries where "CHANNEL" is not allowed, the PARTIES shall agree on a name to be used.

EXCHANGE OF INFORMATION AND IMPROVEMENTS

The PARTIES shall promptly and completely disclose to each other, within a reasonable period of time, any betterment, development, refinement, test results, innovation, engineering data, and/or similar type information relating to the CHANNEL which is discovered, developed or determined by the other PARTY during the term of the Agreement. Should any such betterment, development, refinement, innovation, etc., be capable of protection under the patent laws of any country, the PARTIES shall jointly determine whether one or more patents (including additional claims on either the product or process) should be obtained.

The PARTIES each expressly acknowledge that LICENSOR has invented and intends to file a German national patent application on an improved version of the CHANNEL (referred to hereafter as "FIRST CHANNEL IMPROVEMENT"). A short description of the FIRST CHANNEL IMPROVEMENT, to be maintained confidential by the parties, is attached to this Agreement as Exhibit A. The PARTIES agree that the above provisions regarding 50/50 ownership in improvements shall not apply to the FIRST CHANNEL IMPROVEMENT. However, LICENSOR agrees that LICENSOR will, upon filing of the German application for the FIRST CHANNEL IMPROVEMENT, offer LICENSEE an option to an exclusive license to the FIRST CHANNEL IMPROVEMENT in the same GEOGRAPHIC AREA as in this Agreement. Such license shall be on similar terms to this agreement. However, to the extent that any products or method embody both the CHANNEL and the FIRST CHANNEL IMPROVEMENT, LICENSEE shall pay only a single maximum royalty of five percent (5%) or only a single yearly minimum, whichever is applicable.

The PARTIES shall jointly apply and pay the cost of pursuing and obtaining such patents. If joint application is not permitted by law then the PARTY inventing the improvement shall apply for and seek to obtain a patent, but the PARTIES shall jointly bear the cost of doing so. Upon issuance of any patent, the PARTIES shall make any assignments necessary so that each owns an undivided fifty percent (50%) interest in such improvement. The above notwithstanding, if one PARTY declines to pursue a patent application with respect to any specific development, refinement, innovation, etc., in any specific country the other PARTY may obtain such a patent, at its sole cost and in its sole name.

After the termination of this Agreement, each PARTY shall continue to own any patent rights obtained during this Agreement; provided however, that during the term hereof or after termination, neither PARTY may grant any license of such patent rights to a third party without the prior written consent of the other PARTY; provided further, that consent shall not unreasonably be withheld and the non-licensing PARTY shall receive a royalty which will have to be agreed upon at such time, but not less than one percent (1%) of the Gross Revenue attributable to sales under the new patent, on a basis similar to that provided herein.

LICENSOR shall assist LICENSEE and LICENSEE shall assist LICENSOR when requested, respectively, and to the fullest extent possible in the marketing, sales, testing, installation, development and/or similar type activities related to the CHANNEL. The scope, cost, conditions of sale, etc., will be addressed on an occurrence basis.

MARKETING/SALES PROMOTION

LICENSEE shall have the sole responsibility for developing and paying for advertising and other marketing/sales promotion activities within LICENSEE's GEOGRAPHIC AREA set forth within this Agreement. LICENSOR shall provide LICENSEE with copies of promotional materials used elsewhere. If the PARTIES undertake mutual marketing/sales campaign(s), the PARTIES shall consult and coordinate with respect to the campaign(s) and the allocation of said cost. Both PARTIES shall refrain from any activities which can reasonably be deemed to materially adversely affect the advancement of the CHANNEL.

REFERENCES

LICENSOR grants to LICENSEE and LICENSEE grants to LICENSOR for the term of this Agreement, the right to use in-progress and/or completed projects, which are utilizing or have utilized the CHANNEL or the CHANNEL SYSTEM, as a reference list for demonstrating and determining the success and historical perspective of either the CHANNEL or the CHANNEL SYSTEM. Both PARTIES shall mutually cooperate in developing said reference list(s).

APPLICABLE LAW / VENUE / MEDIATION

All disputes arising out of this Agreement shall be governed by the law of Germany. The PARTIES hereby agree that the regional court (Landgericht) Cologne, Germany, shall have the exclusive and sole jurisdiction over any disputes arising out of this Agreement.

Any dispute, controversy or claim arising out of or relating to this Agreement, or any other agreement executed in connection with or pursuant to this Agreement, or the breach, termination or invalidity thereof, whether entered into or arising prior, on or subsequent to the date hereof, shall be submitted first to mediation, pursuant to the Commercial Mediation Rules of the American Arbitration Association (then in effect, and to the extent not inconsistent therewith, in accordance with the Texas General Arbitration Act), except to the extent such rules (and act) are inconsistent with this Section. Exclusive venue for such mediation shall be in Houston, Harris County, Texas, U.S.A.

LANGUAGE

Any notice, request, correspondence or arbitration proceeding under or in connection with this Agreement shall be in the English language.

REPRESENTATIONS

LICENSOR represents:

- (a) to the best of its knowledge, the process for manufacturing the CHANNEL, and the plans and specifications for the CHANNEL have not been revealed to anyone, except LICENSOR'S employer to the extent required by German inventors law, LICENSOR'S patent attorney, the manufacturer of the prototype of the CHANNEL, and, to a limited degree, those parties presently running clinical trials of the CHANNEL in the specification granted under the German Patent 1960180370;
- (b) that the LICENSOR has the right to grant this exclusive license in the GEOGRAPHIC AREA, and has not and will not grant any other person, firm or entity any right, license, or privilege thereunder with respect to the CHANNEL in the GEOGRAPHIC AREA defined above;
- (c) that the LICENSOR has at no time filed, or caused to be filed, a patent application, or obtained in its name, or caused to be obtained in the name of others, any letters patent in the United States or that LICENSOR shall furnish to LICENSEE, LICENSEE'S nominees and/or patent attorneys, all information elsewhere, based on or relating to the CHANNEL other than as listed on Exhibit "B". A German patent

application for an improvement of the procedure of German Patent 1960180370 will be filed shortly. The application document will be forwarded upon reception of the German filing number. LICENSOR will offer LICENSEE the exclusive opportunity to obtain corresponding patent protection in the GEOGRAPHIC AREA at LICENSEE's own expense and documents relating to the CHANNEL which are necessary to enable LICENSEE to further prosecute all pending and future patent applications and all copyrights or trademarks relating to the CHANNEL; and,

- (d) that LICENSOR shall furnish to LICENSEE, LICENSEE's nominees and/or patent attorneys, all information in possession of LICENSOR related to the CHANNEL and shall not reveal any information related to the CHANNEL to any other party in the countries designated in the PCT Application referenced above, namely Barbados, Brazil, Canada, Cuba, Mexico, St. Lucia and the U.S.A., without the written approval of LICENSEE.

INDEMNIFICATION

LICENSEE shall indemnify and hold harmless LICENSOR against any and all loss, damage, claims, demands, actions, causes of action, costs and expenses whatsoever arising out of or relating to LICENSEE's manufacture, sale, lease, and sublicense of the CHANNEL.

LICENSOR guarantees that to the best of his knowledge, he is not aware of any legal deficiencies of the patent licensed hereunder and particularly guarantees that he is unaware of any third party's prior rights to use, nor any dependence of the licensed patent on third parties patent, nor technical deficiencies of the invention on which this patent is based. LICENSOR assumes no liability for the lack of deficiencies mentioned. LICENSOR guarantees neither the patentability and validity of the licensed patent nor the commercial exploitability and/or readiness for plant use of the invention, and shall not be liable accordingly. However, in such event, LICENSEE may terminate this Agreement with thirty (30) days written notice to LICENSOR.

INFRINGEMENT

In the event that any infringement of the CHANNEL comes to the attention of either PARTY, such PARTY shall promptly notify the other PARTY of the infringement. Thereupon, the PARTY notified shall have 60 days to consult with the other party with a view to reaching agreement as to ways and means of eliminating the infringement. If either PARTY desires to litigate the infringement and the other PARTY, after the expiration of 60 days from being notified of the infringement, refuses to do so or refuses to bear one-half of the cost thereof in return for one-half of the recovery, the PARTY desiring litigation may in its sole discretion and at its sole cost and expense, bring suit to restrain such infringement, may join the refusing PARTY as a PARTY plaintiff in such suit, and shall be entitled to receive and retain for its own use and benefit any recovery awarded in such suit. In the GEOGRAPHIC AREA, LICENSEE shall have the right to file suit after merely notifying LICENSOR of the infringement, and LICENSEE shall not have to wait for LICENSOR to respond or for the expiration of 60 days after notification.

EXPENSES

Each of the PARTIES shall pay all its costs and expenses incurred or to be incurred by it in negotiating and preparing the Agreement and in closing and carrying out the transactions contemplated by the Agreement.

CONFIDENTIALITY

The PARTIES shall keep all information about the CHANNEL confidential except as necessary for LICENSEE to obtain patents related to the CHANNEL or any copyright or trademark relating to the CHANNEL and as may be required to market the CHANNEL in a commercially reasonable manner. LICENSEE shall affix the appropriate copyright symbol, if any, to any instruction manual that accompanies each CHANNEL it sells or leases and shall include reference to any Patent protection of the CHANNEL when and if it is pending and after it is granted by the U.S. Patent and Trademark Office or other similar patent authority in the GEOGRAPHIC AREA. Furthermore, LICENSEE shall require that LICENSEE's employees, lessees, sublicensees and assigns execute appropriate agreements promising to keep all information not in the public domain about the CHANNEL confidential and shall require that such parties adhere to and recognize the patent and copyright protection, if any, afforded to the CHANNEL.

RIGHT TO SUBLEASE OR ASSIGN RIGHTS

LICENSEE shall have the right to sublease, sublicense or assign to a third party its rights under this Agreement without the consent of the LICENSOR. If LICENSEE subleases, sublicenses or assigns such rights, LICENSEE shall continue to pay LICENSOR royalties throughout the term of the Agreement, unless LICENSEE advises LICENSOR that the assignment is a full and complete assignment of LICENSEE's rights and interests hereunder and the new owner of the License assumes LICENSEE's obligations under this Agreement, in writing. LICENSEE shall have the right to make a full and complete assignment on a country by country basis, obtaining the written consent of LICENSOR to each such assignment. LICENSOR will not unreasonably withhold its consent. Subject to this Section, this Agreement shall be binding and inure to the benefits of the PARTIES hereto, their heirs, successors and assigns.

ATTORNEY'S FEES

If any legal or arbitration proceeding is necessary to enforce the terms of this Agreement, the prevailing PARTY shall be entitled to reasonable attorney's fees in addition to any other relief to which that PARTY may be entitled.

NONWAIVER

The PARTIES agree that a waiver of a breach or default under this Agreement shall not constitute a waiver of any subsequent breach or default. The PARTIES also agree that no failure to exercise or delay in exercising any right under this Agreement on the part of either PARTY shall operate as a waiver of the right.

NOTICE

Notices required under this Agreement must be sent by recognized overnight courier or by registered mail, postage prepaid, to the following addresses:

If to LICENSOR: Karl-Wilhelm Thomas
Emsweg 7
41540 Dormagen
Germany

If to LICENSEE: Anco Industries, Inc.
15981 Airline Highway
Baton Rouge, Louisiana 70817-7412
Attention: Russell A. Werme, Jr.

With a copy to: Mr. Russel Primeaux
Kean, Miller, Hawthorne, D'Armond,
McCowan & Jarman, L.L.P.
Post Office Box 3513
Baton Rouge, Louisiana 70821

AMENDMENT

This Agreement shall be modified only by a written agreement executed by persons authorized to execute agreements on behalf of the PARTIES.

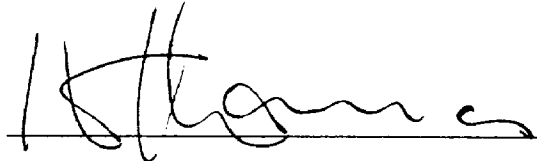
COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

Executed this 1 day of DECEMBER, 1998, effective as of July 1, 1997.

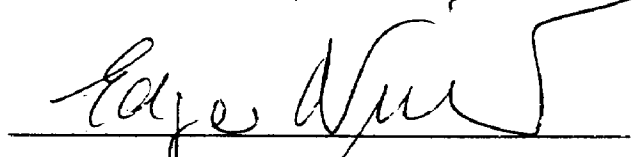
LICENSOR

Karl-Wilhelm Thomas

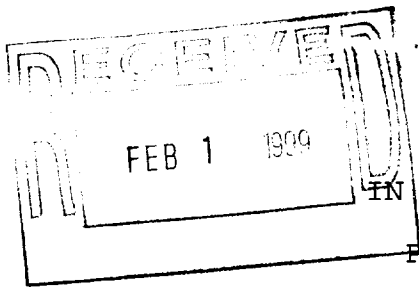


LICENSEE

Anco Industries, Inc.



Title: DIRECTOR



IN THE UNITED STATES OF AMERICA
PATENT AND TRADEMARK OFFICE

APPLICATION NO.: 09/180,453

INTERNATIONAL APPLICATION NO.: PCT/EP97/02312

APPLICANT: Werner Born & Karl-Wilhelm Thomas

TITLE: A Method for the Manufacture of Individual Pipe Section
of a Pipe as well as Pipe Manufactured in that Manner.

FILING DATE: November 6, 1998

INTERNATIONAL FILING DATE: May 7, 1997

PRIORITY DATE CLAIMED: May 9, 1996

Attorney Docket No.: 9-58

BOX ASSIGNMENTS
ASSISTANT COMMISSIONER FOR PATENTS
WASHINGTON, D.C. 20231

CERTIFICATE OF MAILING

I hereby certify that the following attached paper or fee:

- Check for \$40
- Assignment Cover Sheet (2 copies) (3 pages each);
- Assignment (8 pages);
- Postage paid and self-addressed return postcard;

is being deposited with the United States Postal Service under 37 CFR 1.8 on the date shown below with sufficient first class mail postage and is addressed to Box Assignments; Assistant Commissioner for Patents; Washington, D.C. 20231.

January 27, 1999
Date

Morgan Malino
Registration No. 41,177

02/05/1999 DNGUYEN 00000236 09180453

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