

MRD

02-22-2000

HEET

U.S. DEPARTMENT OF COMMERCE

Patent and Trademark Office

Tab settings → → → ▼



101271959

To the Honorable Commissioner of P.

... the attached original documents or copy thereof.

1. Name of conveying party(ies):

X-Med, Inc. d/b/a Ximed Medical Systems
Ashvin Desai

2. Name and address of receiving party(ies):

Name: **Allegiance Healthcare Corporation**

Internal Address: _____

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

3. Nature of conveyance:

☒ Assignment☐ Merger☐ Security Agreement☐ Change of Name☐ Other _____Street Address: **1500 Waukegan Road**City: **McGaw Park**State: **IL**ZIP: **60085**Execution Date: **December 22, 1999**Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration numbers(s):

09/492964

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

A. Patent Application No.(s)

09/015,299

B. Patent No.(s)

5,395,312Additional numbers attached? ☐ Yes ☒ No

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

Kim DilibertiName: **Allegiance Healthcare Corporation**

Internal Address: _____

Street Address: **1430 Waukegan Road****Karl D. Bays Building - Suite 1A**City: **McGaw Park**State: **IL**ZIP: **60085**

6. Total number of applications and patents involved:

27. Total fee (37 CFR 3.41):.....\$ **80.00**☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

8. Deposit account number:

50-0387**02/18/2000 DNGUYEN 00000170 09492964**

DO NOT USE THIS SPACE

01 FC:581**80.00 DP**

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.***John W. Cornell, Reg. No. 30,619**

Name of Person Signing

Signature

January 28, 2000

Date

Total number of pages including cover sheet, attachments, and document:

12

SETTLEMENT AND LICENSE AGREEMENT

This Settlement and License Agreement ("Agreement"), effective as of December 22, 1999 ("Effective Date"), is between **X-Med, Inc. d/b/a Ximed Medical Systems**, 2195 Trade Zone Boulevard, San Jose, CA 95131 and **Ashvin Desai**, individually, (collectively, "Ximed"), and **Allegiance Healthcare Corporation**, a Delaware corporation with its principal place of business at 1500 Waukegan Road, McGaw Park, Illinois 60085 ("Allegiance").

BACKGROUND

A. Allegiance is in the business of manufacturing, selling and distributing medical products, including surgical instruments.

B Ximed Medical Systems and Ashvin Desai, an individual and Ximed Medical Systems's controlling stockholder, developed technological know-how and proprietary rights relating to an electromechanical irrigation pump and corresponding cartridge and tubing sets for surgical use.

C. The parties have previously entered into a Technology License Agreement effective November 22, 1996, pursuant to which Ximed licensed to Allegiance their technological know-how and proprietary rights relating to an electromechanical irrigation pump and corresponding cartridge and tubing sets for surgical use (the "Prior Agreement").

D. The parties wish to settle outstanding issues under the Prior Agreement in accordance with the terms and conditions set forth below.

THEREFORE, Ximed and Allegiance agree as follows:

TERMS AND CONDITIONS

1. Payments.

(a) As of the Effective Date of this Agreement, Allegiance has paid Ximed the sum of one hundred seventy thousand dollars (\$170,000), receipt of which is acknowledged by Ximed.

(b) Allegiance shall pay to Ximed a commission on sales of cassettes as set forth below ("Cassette Commission"). The Cassette Commission shall extend for a period of three (3) years from the date of first Commercialization (as that term is defined in the Prior Agreement).

(c) Commission Schedule:

Year:	Year 1	Year 2	Year 3
Commission:	\$1.00	\$0.75	\$0.50

(d) For sales of cassettes made before the expiration of the period of three (3) years from the date of first Commercialization, within sixty (60) days of the end of each calendar quarter, Allegiance shall provide Ximed a written statement including the number of such products sold for which Commissions are due, the amount of Commission owed, and a payment of the Commission due. If Ximed disputes any written statement, it must notify Allegiance in writing within thirty (30) days after receipt of such statement describing in detail the nature of the dispute. Such Commission payment shall not be considered a royalty payment hereunder.

2. Rights.

(a) The worldwide, perpetual and exclusive, royalty-free and fully paid-up license, including the right to grant sublicenses to the technological know-how and proprietary rights

relating to an electromechanical irrigation pump and corresponding cartridge and tubing sets for surgical use (the "Technology") granted by Ximed to Allegiance under the Prior Agreement shall continue in full force and effect.

(b) In order to insure the continuing value of the Technology, Ximed and Desai covenant that for a period of three (3) years from the first Commercialization, both Ximed and Desai will not, and will cause their Affiliates to not, directly or indirectly, own, manage or operate, or perform services for any business similar to or competitive with the business of developing, marketing, selling or distributing irrigation pumps or disposable parts for medical use.

(c) So long as Allegiance is paying a Commission to Ximed hereunder, Ximed and Desai shall provide Allegiance with a right of first refusal on any invention developed by Ximed or Desai that is within the field of irrigation pumps. Ximed or Desai shall provide Allegiance a description of such invention in writing for the purpose of allowing Allegiance to determine if it is interested in pursuing such invention. Allegiance shall notify Ximed or Desai in writing within ninety (90) days of receipt of such description of Allegiance's desire to pursue such invention. If Allegiance notified Ximed or Desai of its interest in pursuing such invention, the parties agree to negotiate in good faith an exclusive agreement. In the event the parties are unable in good faith to reach agreement on the terms of an exclusive license, prior to entering into any agreement with any other party relating to the invention, Ximed or Desai shall offer Allegiance an option under the same terms and conditions as offered to such other party.

3. Releases.

(a) Ximed, on its own behalf and on behalf of its heirs, executors, legal representatives, attorneys, administrators, successors and assigns hereby releases Allegiance and Allegiance's officers, directors, shareholders, partners, parents, affiliates, employees, heirs, executors, legal representatives, attorneys, administrators, successors (including without limitation Baxter Healthcare Corporation and its officers, directors, shareholders, partners, parents, affiliates, employees, heirs, executors, legal representatives, attorneys, administrators, successors and assigns) and assigns from any and all existing claims, demands, injuries, damages and losses of whatever nature and character, directly or indirectly alleged to be caused by or arising out of the Prior Agreement;

(b) Allegiance, on its own behalf and on behalf of its heirs, executors, legal representatives, attorneys, administrators, successors and assigns hereby releases Ximed, Ashvin Desai, and Ximed's officers, directors, shareholders, partners, parents, affiliates, employees, heirs, executors, legal representatives, attorneys, administrators, successors and assigns from any and all existing claims, demands, injuries, damages and losses of whatever nature and character, directly or indirectly alleged to be caused by or arising out of the Prior Agreement.

4. Patent Assignment.

(a) Ximed hereby assigns to Allegiance United States Patent No 5,395,312 titled "Surgical Tool" issued on 7 March 1995 and United States Patent Application Serial No. 09/015,299 titled "Surgical Apparatus Providing Tool Access and Replaceable Pump Irrigation Cartridge" filed on 29 January 1998 and any and all applications and patents granted thereon,

including all inventions and improvements claimed therein; all extension (including divisionals, continuations, and continuations-in-part applications) and renewals (including reissue and reexamination applications) (the "Assigned Patents"). In order to effectuate this assignment, the parties will execute an Assignment Agreement as set forth in Exhibit A.

(b) Warranties. Ximed and Ashvin Desai, both collectively and individually, represents and warrants that: (i) Ximed owns all right, title and interest in and to the Assigned Patents; (ii) Ximed and Ashvin Desai have the absolute right to enter into this Agreement; (iii) no claim has been made asserting the invalidity, abuse, misuse or unenforceability of the Assigned Patents, and to the best of their knowledge there are no grounds for the same; (iv) no claim has been made asserting a conflict with the rights of others with regard to Technology and the Assigned Patents, and to the best of their knowledge there are no grounds for the same; (v) to the best of their knowledge Ximed and Ashvin Desai are not aware of any product being offered for sale which would infringe the claims of the Assigned Patents; (vi) Ximed and Ashvin Desai have communicated to the United States Patent Office and Allegiance all information of which they are aware which may affect the validity or enforceability of the Assigned Patents; (vii) Ximed and Ashvin Desai have not practiced inequitable conduct in securing the Assigned Patents; (viii) commercialization of the Technology and the Assigned Patents will not infringe any patents, patent applications, trade secrets or proprietary rights of Ximed or Ashvin Desai (or any related entities) not licensed in this Agreement; and (ix) all intellectual property rights and other proprietary rights, including without limitation, all right title and interest in and to inventions and discoveries made by employees or consultants of Ximed which relate to the Technology or Assigned Patents have been validly assigned to Ximed.

5. **No Admissions.** The parties acknowledge that this Agreement involves the settlement of disputed claims and does not constitute an admission by any party of any wrongdoing or liability.

6. **Counsel.** The parties have been fully advised by their own legal counsel with regard to the terms of the Agreement and fully understand all of the terms hereof and their significance, including without limitation, that the Agreement contains a mutual release.

7. **Confidential.** The parties and their attorneys agree to keep the terms of the Agreement confidential and not to disclose those terms to anyone other than as required by law or by judicial process.

8. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

9. **Authority.** The parties covenant and warrant to the other parties that they are under no legal disability, and that if this Agreement is executed in a representative capacity, or by a corporation or by a partnership, that they have the full right and authority to execute the same, and that this release is a release by and for the principal, corporation or partnership.

10. **Notices.**

All notices required or permitted shall be in writing and shall be deemed given when delivered personally, by telefax, telex or telegrams, or if sent, three (3) business days after being mailed by registered or certified mail, postage prepaid, or by such other method (including air courier) which provides for a signed receipt upon delivery, addressed as follows or to such other person or address as may be designated by notice to the other party:

If to Allegiance:

If to Ximed:

Allegiance Healthcare Corp.
1430 Waukegan Road
McGaw Park, IL 60085
Attn.: General Manager
MediVac

X-Med, Inc. d/b/a Ximed Medical Systems
2195 Trade Zone Boulevard
San Jose, CA 95131
Attn.: Ashvin Desai

With a copy to:

Allegiance Healthcare Corp.
1430 Waukegan Road
McGaw Park, IL 60085
Facsimile: 847-578-4095
Attn.: General Counsel
MediVac Business Unit

11. **Entire Agreement.** This Agreement supercedes all prior agreements between the parties, including the Prior Agreement, except to the extent any obligations of the parties in the Prior Agreement are incorporated herein and the Confidentiality obligations set forth in the Prior Agreement. The parties hereby release each other from any and all liability for any and all claims, demands, injuries, damages, and losses, of whatever nature and character, alleged to be caused by or arising, directly or indirectly, out of the Prior Agreement. This Agreement is the entire agreement between the parties hereto regarding this subject matter, there being no prior written or oral promises or representations not incorporated herein.

12. **Governing Law.** This Agreement shall be governed by the laws of the state of Illinois, applicable to contracts made and to be performed in that state.

14. **Amendments.** No amendment or modification of the terms of this Agreement shall be binding on either party unless reduced to writing and signed by an authorized officer of the party to be bound.

15. **Existing Obligations.** Ximed represents and warrants that the terms of this Agreement do not violate any existing obligations or contracts of Ximed. Ximed shall defend,

indemnify and hold harmless Allegiance from and against any and all claims, demands, actions or causes of action which are hereafter made or brought against Allegiance which allege any such violation.

16. **Assignment.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, this Agreement has been executed on the dates set forth below, by authorized representatives of the parties.

ALLEGIANCE HEALTHCARE CORPORATION

By: J.A. KRAEMER
Name: J.A. Kraemer
Title: V.P. / General Manager
Medi-Vac Prep

X-MED, INC. d/b/a
XIMED MEDICAL SYSTEMS

By: [Signature]
Name: ASHVIN DESAI
Title: President

ASHVIN DESAI

Signature: [Signature]

EXHIBIT A

PATENT ASSIGNMENT

THIS PATENT ASSIGNMENT, dated as of December 22, 1999 is made by **X-Med, Inc. d/b/a Ximed Medical Systems**, 2195 Trade Zone Boulevard, San Jose, CA 95131 and **Ashvin Desai**, individually, (collectively, "Assignor") to **Allegiance Healthcare Corporation**, a Delaware corporation with its principal place of business at 1500 Waukegan Road, McGaw Park, Illinois 60085 ("Assignee").

BACKGROUND

Assignor and Assignee have entered into an Agreement dated contemporaneously herewith, pursuant to which Assignor has agreed to assign the patents and patent applications listed below, in accordance with the terms and conditions set forth below:

NOW, THEREFORE, in consideration of the covenants and conditions contained herein, the parties hereby agree as follows:

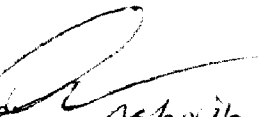
TERMS AND CONDITIONS

For good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, Assignor does hereby sell, assign, transfer and convey to Assignee the entire right, title and interest in and to United States Application Serial No. 09/015,299 titled SURGICAL APPARATUS filed 1/29/98, and in and to any and all, applications and patents granted thereon, ("Patents"), including all inventions and improvements claimed therein; all extension (including divisionals, continuations, and continuations-in-part applications) and renewals (including reissue and reexamination applications), of any of the foregoing; including all income, right, damages or payments now and hereafter due and/or payable with respect to the Patents, including without limitation damages or payments for infringement of the Patents, the royalty to use for infringements of the Patents, to be held and enjoyed by Assignee for Assignee's own use and enjoyment as fully and entirely as would have been held and enjoyed by Assignor if this assignment, transfer, conveyance and sale had not been made.

Assignor hereby authorizes and requests the Commissioner of Patents and Trademarks to record Assignee as the owner of the true right, title and interest in and to the Patents. Assignor hereby covenants that it has the full right to convey the entire interest herein assigned, and that it has not executed and will not execute any agreement in conflict herewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

X-MED, INC. d/b/a
CORPORATION
XIMED MEDICAL SYSTEMS

By: 
Name: *Ashvin Desai*
Title: *President*

ASHVIN DESAI

Signature: 

ALLEGIANCE HEALTHCARE

By:
Name:
Title:

J. A. KRAEMER
J.A. Kraemer
V.P. / General Manager
Medi-Vac / Proq