

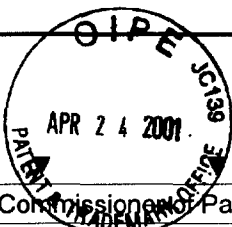
05-03-2001

PATENTS ONLY



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Tab settings → → →



To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

The University of Toronto Innovations Foundation

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

Name: GFI Control Systems, Inc.

Address: 100 Hollinger Crescent

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment

☐ Merger

☐ Security Agreement

☐ Change of Name

☒ Other License Agreement

City: Kitchener State/Prov.: ON

Country: Canada ZIP: N2 K2Z3

Execution Date: December 19, 1994

Additional name(s) & address(es)

☐ Yes ☐ No

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

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

Patent Application No.

Filing date

B. Patent No.(s)

5,035,360

Additional numbers

☐ Yes ☒ No

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

Name: Robert J. Graham

Registration No. 43,430

Address: Gowling Lafleur Henderson LLP

Commerce Court West

Suite 4900

City: Toronto State/Prov.: ON

Country: Canada ZIP: M5L 1Z3

6. Total number of applications and patents involved:

1

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

☐ Enclosed - Any excess or insufficiency should be credited or debited to deposit account

☒ Authorized to be charged to deposit account

8. Deposit account number:

07-1750

DO NOT USE THIS SPACE

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.

Robert J. Graham

Name of Person Signing

RJG

Signature

23 April 2001

Date

Total number of pages including cover sheet, attachments, and

14

PATENT

REEL: 011742 FRAME: 0332

LICENSE AGREEMENT made as of the 19th day of December, 1994

B E T W E E N:

**THE UNIVERSITY OF TORONTO
INNOVATIONS FOUNDATION,**
a corporation without share capital
incorporated under the laws of the
Province of Ontario,

(hereinafter referred to as the "Licensor")

OF THE FIRST PART

- and -

GFI CONTROL SYSTEMS, INC.,
a corporation incorporated under
the laws of the Province of Ontario,

(hereinafter referred to as the "Licensee")

OF THE SECOND PART

WHEREAS:

- A. The Licensor was incorporated for the purpose of commercializing inventions made at the University of Toronto;
- B. The Licensor owns an invention known as an "Electrically Actuated Gaseous Fuel Timing and Metering Device" described more fully in United States Patent 5,035,360 and Canadian Patent Application Serial Number 2016284-8;
- C. The Licensee wishes to obtain a world-wide exclusive license to use the invention described in such patent and patent application to manufacture, use and sell products embodying the invention described therein and to grant licenses to others for the same purposes;

- D. The Licensor and the Licensee wish to record the terms and conditions of the license;

NOW THEREFORE IN CONSIDERATION of the premises and the mutual covenants herein contained, the parties hereto covenant and agree with each other as follows:

1. **DEFINITIONS**

- (a) "Date of Commercial Production" shall mean the earliest date upon which Products are produced and sold commercially, as notified by the Licensee to the Licensor in writing.
- (b) "Invention" means the "Electrically Actuated Gaseous Fuel Timing and Metering Device" described in the Patents.
- (c) "Inventors" means Christopher J. Green and James S. Wallace.
- (d) "Net Sale Price" means the gross sale price of the Products invoiced to an arm's-length purchaser, less customary trade, quantity and cash discounts and broker's or agent's commissions actually allowed or taken, amounts repaid or credited by reason of rejection or return, uncollectible accounts, taxes or governmental charges imposed on production, sale, transportation or delivery, delivery and mailing costs.
- (e) "Patents" means United States Patent 5,035,360 issued July 30, 1991 and Canadian Patent Application, Serial Number 2016284-8 filed on May 8, 1990, both entitled "Electrically Actuated Gaseous Fuel Timing and Metering Device".
- (f) "Products" means any high-speed gas injection valve made or sold in any country by the Licensee or a Sub-licensee embodying the Invention.
- (g) "Sub-licensee" means a person to whom the Licensee has granted the right to manufacture, use and sell Products by way of a sub-license made in accordance with the terms of this Agreement.

- (h) "Technical Information" means any trade secrets, research or development data or know-how relating to the subject matter of the Patents, whether or not patentable, and shall include engineering or scientific information; processes and formulae; manufacturing data and procedures; machinery, plant, apparatus and equipment design; reports, drawings, specifications and blueprints relating to any method, product, apparatus or article used in producing the subject matter of the Patents.

2. GRANT

- 2.1 The Licensor warrants to the Licensee that it is the owner of the Patents and the Technical Information free and clear of all liens, charges and encumbrances of any nature or kind whatsoever. The Licensor also warrants to the Licensee that it has good right and authority to grant the license provided for herein. Except as set out in paragraph 2.4, the Licensor has not granted any license with respect to the Patents or the Technical Information.
- 2.2 Subject to the terms and conditions hereinafter set forth, the Licensor grants to the Licensee:
 - (a) an exclusive world-wide license to manufacture, have manufactured, use and sell Products; and
 - (b) the exclusive world-wide right and license to use, practise and otherwise fully exploit the Patents and to fully exploit, use, modify and adapt the Technical Information for the purposes of the rights granted in subparagraph (a), above.
- 2.3 The rights and licenses granted by the Licensor pursuant to paragraph 2.2 hereof include the absolute right of the Licensee to grant sub-licenses to third parties, provided that all Products sold under any such sub-licenses shall be subject to the royalty payments herein reserved unto the Licensor and the Licensee covenants with the Licensor to make the royalty payments to the Licensor required as a result of such sales by Sub-licensees and for the observance and performance by all such Sub-licensees of all of the provisions of this Agreement.
- 2.4 Notwithstanding the foregoing, the Licensee acknowledges that the Licensor has granted an exclusive license to the Gas Research

Institute, including the right to sub-license others, for the purpose of manufacturing Products for use in 2-cycle series Detroit diesel engines. The Licensee acknowledges and agrees that the license granted hereunder is restricted to the extent that the Licensee shall be precluded from manufacturing, having manufactured, using or selling Products for use in 2-cycle series Detroit diesel engines.

- 2.5 During the term of this Agreement, the Licensor shall not itself exercise anywhere in the world, or permit anyone other than the Licensee or the Gas Research Institute (for the limited purposes described above) or their respective sub-licensees to exercise anywhere in the world, any of the rights licensed hereunder, provided that the Licensor shall have the right to conduct research for its own internal, non-commercial purposes based on the claims of the Patents and the Technical Information.
- 2.6 The Licensee shall use its best efforts to achieve the development milestones set out in Appendix "A" hereto and to manufacture Products for commercial sale as soon as possible. The Licensee shall, within six (6) months of the date of this Agreement and semi-annually thereafter until the Date of Commercial Production, provide the Licensor with a written report concerning the progress of the Licensee in developing Products for commercial sale with reference to the milestones set out in Appendix "A" hereto.

3. ROYALTIES

- 3.1 In consideration of the license granted hereunder, the Licensee agrees to pay the following fees and royalties to the Licensor:
- (a) a licensing fee of \$5,000.00 payable on the signing of this Agreement;
 - (b) a royalty of 3% of the Net Sale Price of all Products sold in the United States and Canada;
 - (c) a royalty of 2% of the Net Sale Price of all Products sold in countries other than the United States and Canada; and
 - (d) 50% of all royalty payments received by the Licensee from Sub-licensees.

Notwithstanding the foregoing, the Licensee agrees to make the following minimum royalty payments to the Licensee during the term of this Agreement following the Date of Commercial Production:

- (a) nil in the first year thereafter;
- (b) nil in the second year thereafter; and
- (c) \$1,000.00 in each subsequent year thereafter.

3.2 Payments by the Licensee to the Licensors shall be made in Canadian dollars. Royalty payments in respect of Products sold at a price denominated in a currency other than Canadian dollars shall be converted to Canadian dollars at the rate of exchange quoted by the head office of the Bank of Nova Scotia for the purchase of Canadian dollars as of the close of business on the last business day preceding the date of such payment.

3.3 The Licensee shall account and pay royalties to the Licensors following the Date of Commercial Production within sixty (60) days of January 31st and July 31st in each year during the term of this Agreement in respect of the six-month period ending on such dates and within sixty (60) days of termination in respect of the period elapsed since the most recently completed calendar half-year prior to the date of termination. For the purpose of calculating royalties due and payable hereunder, Products shall be deemed to have been sold at the time when the Licensee actually receives payment therefor.

3.4 In the event that any payment hereunder is not made on the due date, interest shall accrue thereon at the prime rate of interest quoted by the head office of the Bank of Nova Scotia to its most creditworthy customers.

4. DISCLOSURE OF TECHNICAL INFORMATION

4.1 The Licensors covenants to disclose to the Licensee all of the Technical Information now in its possession or which may hereafter come into its possession during the term of this Agreement.

4.2 The Licensors shall use its best efforts to make the Inventors available for consultation with the Licensee concerning all aspects of the Invention as required by the Licensee from time to time.

- 4.3 The Licensee acknowledges that the Licensor may not be the legal owner of the Technical Information which comes into its possession following the date of this Agreement. In such circumstances, the Licensor shall be relieved of its obligation to disclose such Technical Information to the Licensee hereunder.

5. IMPROVEMENTS

- 5.1 If the Licensee shall discover or invent an improvement to the subject matter of any of the claims of the Patents during the term of this Agreement, the Licensee may, at its own expense, apply for letters patent in respect thereof.
- 5.2 The Licensor shall promptly disclose to the Licensee any discovery or invention which is an improvement to the subject matter of the claims of the Patents which it makes or acquires during the term of this Agreement as soon as reasonably practicable thereafter. Such discovery or invention shall thereafter be deemed to be part of the licensed subject matter for all purposes of this Agreement.
- 5.3 If the Licensor does not, within a period of three months following the date of such discovery or invention, apply for letters patent in respect thereof, the Licensee shall have the option, by means of notice in writing to the Licensor, to require the Licensor to assign or cause to be assigned to the Licensee such discovery or invention and to assist the Licensee, at the Licensee's expense, to secure letters patent in respect of such discovery or invention in any countries designated by the Licensee. The Licensee shall have full ownership of the rights in any such patented discovery or invention.
- 5.4 The Licensee acknowledges that certain discoveries or inventions constituting an improvement to the subject matter of the claims of the Patents of which the Licensor has knowledge may not belong to the Licensor. In such circumstances, the Licensor shall be relieved of the obligation to assign or cause to be assigned such discovery or invention to the Licensee pursuant to the option referred to above.

6. INDEMNIFICATION

- 6.1 The Licensee shall indemnify the Licensor and its directors and officers and save them harmless from and against all losses, claims, actions, suits, damages and expenses which the Licensor, its

directors or officers may suffer resulting from any defect in the manufacture, use or sale of Products by the Licensee or any Sub-licensee.

- 6.2 It shall be a condition of the Licensee's obligation to indemnify the Licensor, its directors and officers hereunder that the Licensor, its directors or officers, as the case may be, shall have given written notice of any legal action, claim or proceeding (hereinafter referred to as a "claim") to the Licensee as soon as is reasonably possible after the same shall have come to its or his attention and shall have advised the Licensee whether such party intends to dispute such claim. Upon receipt of such notice, the Licensee shall have the right to undertake the entire defence of any such claim by giving to the Licensor, its directors or officers, as the case may be, written notice of such intention within fifteen (15) days thereafter. If the Licensee so elects, the Licensor, its directors or officers, as the case may be, shall have the right to participate, at their own expense, in the defence of such claim and shall cooperate as is reasonably requested by the Licensee in the defence thereof. Failing notice from the Licensee of its intention to defend such claim, the Licensor, its directors or officers shall be at liberty to defend such claim and to rely on the indemnity of the Licensee.

7. USE OF THE NAME

- 7.1 The Licensee agrees to give recognition, where possible, to the University of Toronto and to the Licensor and to obtain the Licensor's prior written approval before using the name of the University of Toronto and/or the Licensor in any promotional material, provided that the names of the University of Toronto and the Licensor may be used in statements of true fact without the Licensor's prior written approval.

8. INFRINGEMENT

- 8.1 In the event that it comes to the attention of either party hereto that any unlicensed person, firm or corporation is selling, manufacturing, using or distributing Products in infringement of the Licensor's Patents, such party shall notify the other party hereto of such infringement and the Licensee shall be entitled, on its own behalf and on behalf of and in the name of the Licensor, to restrain such infringement at the Licensee's expense. Any damages awarded to the Licensee or the Licensor shall be for the Licensee's account and,

if received by the Licensors, shall be paid over forthwith to the Licensee. The Licensee shall continue to pay royalties to the Licensors notwithstanding such infringement.

- 8.2 In the event that the Licensee elects not to restrain an infringement of the Patents, it shall notify the Licensors within ninety (90) days after receiving notice from the Licensors of such infringement or within ninety (90) days after the date on which it gave notice of such infringement to the Licensors, and the Licensors may take such action as it sees fit to restrain such infringement, in which case, any damages awarded to the Licensors shall be for its own account and the Licensee shall continue to pay royalties to the Licensors as provided herein.
- 8.3 In the event that any claim is instituted against the Licensee in respect of the license granted hereunder or its use of any of the Patents, the Licensee may defend such action, claim or proceeding in its own name and in the name of the Licensors and the Licensors shall cooperate with the Licensee in the defence of such claim, provided that all costs and expenses shall be for the account of the Licensee. The Licensee shall continue to pay royalties to the Licensors notwithstanding such claim. Any damages recovered by the Licensee shall be for its own account and, if received by the Licensors, shall be paid over forthwith to the Licensee.
- 8.4 If the Licensee fails to defend any such claim, the Licensors may take such action as it sees fit to defend such claim on its own behalf, in which event any damages awarded to the Licensors shall be for its own account.

9. PROSECUTION AND MAINTENANCE OF PATENTS

- 9.1 The parties acknowledge that the Gas Research Institute is prosecuting Canadian Patent Application Serial Number 2016284 - 8 in order to obtain the issuance of the patent applied for therein in the name of the Licensors and will bear all routine maintenance costs associated with either of the Patents. If the Gas Research Institute does not prosecute such patent application within any applicable time limitations or fails to pay any such routine maintenance costs when due, the Licensors shall so notify the Licensee. Following any such notice by the Licensors, the Licensee shall be entitled, in the name of the Licensors, to prosecute such patent application to final issuance or to satisfy any liability for routine maintenance costs, as

the case may be, and the Licensor hereby appoints the Licensee as its agent and attorney to execute and deliver all documents, instruments and agreements, either in the name of the Licensor or the Licensee, as may be required in connection therewith. If the Licensee prosecutes such patent application on behalf of the Licensor, all costs and expenses incurred by the Licensee shall be for the account of the Licensee. The Licensor shall cooperate fully with the Licensee in the prosecution of such patent application and shall use its best efforts to make the Inventors available for consultation in connection therewith.

10. TERM AND TERMINATION

- 10.1 The term of this Agreement shall commence on the date first set forth above and shall end seven (7) years following the Date of Commercial Production, unless this Agreement is terminated on an earlier date in accordance with the following provisions of this paragraph.
- 10.2 If the Licensee shall default in the payment of any royalty or any other amount due and payable hereunder or breach any other material term of this Agreement and shall fail to remedy such default or breach within sixty (60) days following written notice from the Licensor, the Licensor may, at its option, terminate this Agreement or revoke the license granted hereunder by means of written notice to the Licensee.
- 10.3 If the Licensee becomes insolvent, makes an assignment for the benefit of creditors, is adjudged bankrupt, or if a receiver or trustee is appointed in respect of substantially all of the property and assets of the Licensee, this Agreement and the license granted hereunder shall be deemed to have been terminated seven (7) days prior to such event and the Licensee shall forthwith return to the Licensor all Technical Information and any prototypes and other material provided to the Licensee hereunder.
- 10.4 Notwithstanding termination of this Agreement or the license granted hereunder, the Licensee shall account to the Licensor and shall pay all royalties and other amounts due hereunder up to the date of termination.

10.5 Termination of this Agreement prior to the expiry of the term provided for herein shall not have the effect of terminating any sub-license granted by the Licensee but, upon such termination, such Sub-licensee shall thereafter attorn to the Licensors and the sub-license shall be deemed to have been assigned by the Licensee to the Licensors. The Licensee agrees to include provisions with respect to such attornment and assignment in any sub-license granted by the Licensee hereunder.

10.6 The Licensee may terminate this Agreement at any time by means of written notice to the Licensors. In such event, the Licensee shall forthwith return to the Licensors all Technical Information and any prototypes and other material provided to the Licensee hereunder.

11. ASSIGNMENT OF PATENTS

11.1 Seven (7) years following the Date of Commercial Production and provided that the Licensee is not in default of any of its obligations hereunder, the Licensors shall assign and transfer all of the Licensors' right, title and interest in and to the Patents to the Licensee upon payment of \$1.00. The Licensors shall execute and deliver all such instruments of conveyance and assignment in connection therewith as may be reasonably required by the Licensee. Such assignment shall be subject to the rights of the Gas Research Institute pursuant to the license referred to above.

12. NOTICES

12.1 All notices required or permitted hereunder shall be in writing and shall be given by means of personal delivery, mail or facsimile as follows:

(a) If to the Licensors, as follows:

The President
The University of Toronto Innovations Foundation
525 University Avenue, Suite 925
Toronto, Ontario M5G 2L3

Facsimile: (416) 978-6052

(b) If to the Licensee, as follows:

President
GFI Control Systems, Inc.
100 Hollinger Crescent
Kitchener, Ontario N2K 2Z3

Facsimile: (519) 576-4010

12.2 Any notice given by mail shall have been deemed to have been given three (3) days following the date of mailing, excluding weekends and public holidays, and notices given by personal delivery or by facsimile shall be deemed to have been given on the date of delivery or transmission, as the case may be, unless such delivery or transmission occurs following normal business hours, in which case notice shall be deemed to have been given on the next following business day.

13. WAIVER

13.1 The failure of either party to require performance or compliance by the other of any of the terms, conditions or covenants herein contained shall not be deemed to be a waiver of any such terms, conditions or covenants. Waiver by either party of a breach of any of the terms or conditions of this Agreement shall not be considered to be a waiver of any subsequent breach of the same or any other term or condition hereof.

14. ENTIRE AGREEMENT

14.1 This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and there are no representations or warranties with respect to the subject matter hereof except as set forth herein. Any modification or amendment to the terms of this Agreement shall be in writing and shall be signed by a duly authorized representative of each of the parties.

15. SUCCESSORS AND ASSIGNS

15.1 This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns. The Licensee agrees that it shall not assign any of its rights


hereunder without the prior written consent of the Licensor, such consent not to be unreasonably withheld, provided that the Licensee shall have the right, without consent, to assign its rights hereunder to an affiliate of the Licensee within the meaning of the *Business Corporations Act, 1990 (Ontario)* or any successor legislation.

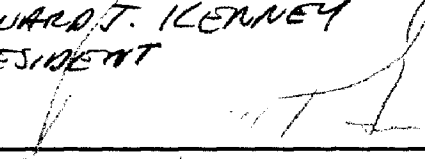
16. APPLICABLE LAW

16.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

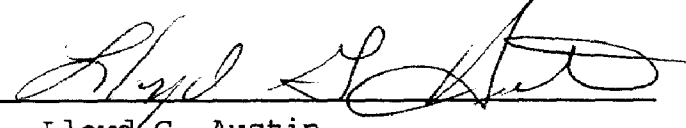
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first above written.

THE UNIVERSITY OF TORONTO
INNOVATIONS FOUNDATION

By: 
Name: EDWARD J. KENNEY
Title: PRESIDENT

By: 
Name: PAUL PETERSON
Title: CHAIR

GFI CONTROL SYSTEMS, INC.

By: 
Name: Lloyd G. Austin
Title: President

By: _____
Name: _____
Title: _____

APPENDIX "A"

DEVELOPMENT MILESTONES

Schedule Name : Electrically Actuated Gaseous Fuel Timing & Metering
 Responsible : GFI Control Systems Inc
 As-of Date : 3-Jan-95 8:30am Schedule File :

Dependencies : Start commercial production

Task Name	Start Date	Durathn (Wks)	End Date	95 Jan 3	96 2	97 2
Start project	3-Jan-95	0	3-Jan-95	▲	.	.
Complete design	3-Jan-95	50	29-Dec-95	■	.	.
Build prototypes	2-Jan-96	25	27-Jun-96	.	■	.
Test prototypes	28-Jun-96	25	27-Dec-96	.	.	■
Develop marketing plan	28-Jun-96	0	28-Jun-96	.	▲	.
Start commercial production	30-Dec-96	0	30-Dec-96	.	.	▲

 ■ Detail Task ■ Summary Task Baseline
 .. (Progress) == (Progress) >>> Conflict
 ■ (Slack) ■ (Slack) .. Resource delay
 Progress shows Percent Achieved on Actual ▲ Milestone
 ----- Scale: 4 weeks per character -----

TIME LINE Gantt Chart Report, Strip 1, Page 1

RECORDED: 04/24/2001

PATENT
 REEL: 011742 FRAME: 0345