

10-12-2001

DEPARTMENT OF COMMERCE

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RECORDATION FORM COVER SHEET

PATENTS ONLY



101872050

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

1. Name of conveying party(ies):

ALVIN J. WATSON

Additional name(s) of conveying party(ies) attached?

☐ Yes ☒ No

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

Name:

CUTLER-HAMMER INC.

Internal Address:

ATTN: M. L. UNION

Street Address:

EATON CENTER**1111 SUPERIOR AVENUE**City: **CLEVELAND**State: **OHIO**Zip: **44114**Additional name(s) & address(es) attached? ☐ Yes ☒ No

3. Nature of conveyance:

☐ Assignment☐ Merger☐ Security Agreement☐ Change of Name☒ Other LICENSE AGREEMENTExecution Date: **FEBRUARY 28, 2001**

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) **09/542,032,**

B. Patent No.

Filed **4/3/2000** Entitled **SYSTEM AND METHOD****FOR VARIABLE PUMP CONTROL**Additional numbers attached? ☐ Yes ☒ No

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

Attorney:

MARVIN L. UNION

Name:

EATON CORPORATION

Internal Address:

PATENT LAW DEPARTMENT

Street Address:

EATON CENTER**1111 SUPERIOR AVENUE**City: **CLEVELAND** State: **OHIO**Zip: **44114-2584**6. Total number of applications and patents involved: **1**7. Total fee (37 CFR 3.42). **\$40.00**☐ Enclosed☒ **Authorized to be charged to deposit account.**8. Deposit Account Number: **05-0275**

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.***MARVIN L. UNION**

NAME of SENDER

SIGNATURE OF SENDER

OCTOBER 1, 2001

DATE

Total number of pages comprising cover sheet, attachments, and document: **8**

OMB No. 0651-0011 (exp. 4/94)

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Commissioner of Patents and Trademarks**Box Assignments****Washington, D.C. 20231**

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LICENSE AGREEMENT

THIS AGREEMENT is made as of the 28 day of February 2001
BETWEEN

ALVIN J. WATSON
2101 Rhonda
Hendersen, NV 89014
(hereinafter referred to as "WATSON")

- and -

CUTLER-HAMMER INC., a corporation
incorporated under the laws of the State of
Delaware, United States of America
(hereinafter referred to as "CH")

WHEREAS, WATSON is engaged in the business of marketing and selling drives for alternating current motors for driving a cylindrical load which incorporate Software (hereinafter defined) designed, manufactured, and owned by Watson and is the owner of Know-How and Technical Information (hereinafter defined) relating to same;

AND WHEREAS, CH is desirous of exclusively making, using and selling drives for alternating current motors, which incorporate the Software using Know-How and Technical Information.

NOW THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree as follows:

ARTICLE I: DEFINITIONS

The following words and terms shall have the respective meanings ascribed to them as follows:

- 1.01 "Know-How and Technical Information" as used herein shall mean information, data, processors, reports, technical data, detailed drawings, bills of material, instruction books, copies of drawings and specifications in any recorded or recordable form, owned or controlled by WATSON during the term of this Agreement which relates to drives for alternating current motors for driving cylindrical loads, and/or the Software, but shall not include such information which is or becomes within the public domain through no fault of CH, information which is obtained by CH from a third party having the right to disclose same or information independently developed by CH without reference to the Know-How and Technical Information.
- 1.02 "Licensed Patents" as used herein shall mean all patents and applications including the inventions covered thereby which relate to drives for alternating

current motors for driving a cylindrical load invented by WATSON including those inventions invented during the term of this Agreement and including WATSON owned patents and patent applications listed in Exhibit A attached hereto as amended from time to time.

- 1.03 "Software" as used herein shall means all software developed, owned or controlled by WATSON during the term of this Agreement for use in controlling an AC motor for driving a cylindrical load including object code, source code, electronic flowcharts, flowcharts, and documentation.
- 1.04 BP9000 shall mean an adjustable frequency drive for a beam pump which is a SV9000 drive sold by CH which includes the Software.
- 1.05 "Net Selling Price" as used herein shall means the invoice price charged by CH for the BP9000 less freight, taxes, custom duties, insurance and returns.

ARTICLE II: GRANT TO WATSON

- 2.01 WATSON hereby grants to CH upon the terms and conditions set forth herein:
- (a) an exclusive license under the Licensed Patents to manufacture, use and sell in all countries of the world drives for alternating current motors for driving cylindrical loads;
 - (b) an exclusive license to utilize the Know-How and Technical Information to manufacture, use and sell in all countries of the world drives for alternating current motors for driving cylindrical loads; and
 - (c) an exclusive license to manufacture, use, sell, duplicate and make derivative works of the Software in all countries of the world for controlling alternating current motors for driving cylindrical loads.
- 2.02 CH shall have the exclusive right to ship drives for AC motors for driving cylindrical loads which incorporate the Know-How and Technical Information and/or the Software and/or the Licensed Patents to all countries of the world, subject to compliance with the United States Government Export Control Regulations.

ARTICLE III FEES, ROYALTIES AND RECORDS

- 3.01 Upon execution of the Agreement, CH shall pay to WATSON a fee of \$17,500 to cover WATSON's expenses in transferring the Know-How and Technical Information and Software to CH.
- 3.02 Upon completion of the transfer of Know-How and Technical Information to CH and completion of the technical assistance to be provided under Section 4.01, CH shall pay to WATSON a fee of \$17,500.
- 3.03 In consideration of the grants of license set forth in Article II hereof, CH shall pay to WATSON a royalty of five percent (5%) of the Net Selling Price.

- 3.04 CH shall furnish to WATSON by the last day of February and August in each calendar year a report in writing setting forth CH's Net Sales Price of Software licensed and/or sold by CH during the six (6) months ending the previous 31st day of December and the 30th day of June respectively shall with such report make payment to WATSON of all royalties accrued and payable for the period covered by such report.
- 3.05 Any tax or similar levy which CH is required to withhold from any payments made to WATSON hereunder shall be deducted from such payments. CH shall furnish WATSON with proof of the payment to the appropriate authorities by CH of such amounts withheld.

ARTICLE IV: KNOW-HOW AND TECHNICAL INFORMATION

- 4.01 Upon execution of this Agreement and payment of the fee due upon execution of this Agreement as set forth in Section 3.01, WATSON shall provide to CH two (2) mandays of technical assistance to transfer the Know-How and Technical Information and Software to CH. This technical assistance shall be provided in Milwaukee, Wisconsin and CH shall pay reasonable travel expenses incurred by WATSON in rendering such assistance. Additional technical assistance shall be provided by WATSON on a per diem basis.
- 4.02 WATSON shall promptly provide to CH any Improvements WATSON makes or acquires during the term of this Agreement in the Know-How and Technical Information, Software and/or Licensed Patents.
- 4.03 CH acknowledges and agrees that the Know-How and Technical Information is the sole property of WATSON and constitutes the valuable confidential information of WATSON. CH shall not use the Know-How and Technical Information for any purpose except for the manufacture, use, sale and servicing of drives for alternating current motors for driving cylindrical loads and/or the Software and agrees to treat as secret and confidential and not to disclose the Know-How and Technical Information to any third party without the prior written consent of WATSON.

ARTICLE V: WARRANTY

- 5.01 WATSON warrants that the Know-How and Technical Information, Software, and License Patents are owned by WATSON and that WATSON has the right to enter into the obligations set forth in this Agreement. WATSON warrants that the Know-How and Technical Information and Software to be transferred to CH is complete to enable CH to make, use and sell drives for AC motors for driving cylindrical loads. WATSON warrants that the Know-How and Technical Information and Software when used to make, use, sell and/or service drives for AC motors for driving cylindrical loads does not infringe the intellectual property rights including patents, trade secrets, and copyrights of any third party.

- 5.02 Except as is otherwise set forth herein, ALL WARRANTIES ARE DISCLAIMED BY WATSON INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
- 5.03 WATSON shall indemnify CH for all cost and expenses including attorney fees for any breach of Section 5.01 by WATSON.

ARTICLE VI: TERM AND TERMINATION

- 6.01 The term of this Agreement shall be three (3) years from the date first written above. Thereafter, this Agreement shall automatically renew from year to year unless terminated by CH on notice to WATSON given not less than three (3) months prior to the commencement of any renewal period.
- 6.02 In the event of dissolution (other than in the course of corporate reorganization), bankruptcy or insolvency of either party, the other party may terminate this Agreement immediately upon giving notice.
- 6.03 In the event that either party shall fail to perform the obligations required of it hereunder and fails to cure such default within sixty (60) days after notice thereof, the non-defaulting party may thereafter terminate this Agreement forthwith by written notice to the other party.
- 6.04 Upon termination or expiry of this Agreement,
- (a) any exclusive rights and licenses granted to CH by WATSON shall immediately convert to a non-exclusive right and license provided this Agreement is not terminated as a result of the bankruptcy or insolvency of CH or under Section 6.03 as a result of an uncured breach by CH and CH shall continue to pay to WATSON a royalty equal to fifty percent (50%) of the royalty set forth in Section 3.03.
 - (b) all payments obligations of either party provided for hereunder shall be calculated as of the date of termination or expiry and all amounts due and owing as of such date shall be paid within thirty (30) days of such date.
- 6.05 Termination or expiration of this Agreement shall not relieve CH of the obligations of confidentiality provided for in Section 4.03 hereof.

ARTICLE VII: MISCELLANEOUS

- 7.01 This Agreement and the rights and licenses granted herein shall not be assignable by WATSON without the consent in writing first obtained from CH, which consent shall not be unreasonably withheld. CH shall have the right to assign the rights and licenses granted herein to a successor in interest of all or substantially all of CH's business of making, using and selling drives for AC motors for driving a cylindrical load.

- 7.02 In the event any Know-How and Technical Information, any Software or method of using same is patentable, WATSON shall immediately notify CH and CH shall have the first right at CH's sole expense to file for patent protection in the name of WATSON in all countries of the world. CH shall, at CH's expense, cause to be filed a U.S. patent application on the subject matter listed in Exhibit A. In the event CH does not desire to file for patent protection on an invention or desires to abandon a patent application or a patent, CH shall first offer same to WATSON and WATSON shall have the right to file, continue prosecution and/or pay maintenance fees on such patents at WATSON's sole expense.
- 7.03 This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and no modification or amendment hereof shall be valid or binding upon the parties hereto unless made in writing and duly executed on behalf of both of the parties hereto.
- 7.04 Any notice or other communication required or permitted to be given to a party hereto pursuant to this Agreement shall be sufficiently given if sent to such party by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:
- (a) if to WATSON:
- Alvin J. Watson
2101 Rhonda
Hendersen, NV 89014
- (b) if to CH:
- Cutler-Hammer Inc.
Office of the Secretary
Eaton Center
1111 Superior Avenue
Cleveland, Ohio 44114-2584
- or to such other address as shall be designated by such party by written notice hereunder. Time of notice or other communication shall be deemed to be five (5) business days following the date of postmark.
- 7.05 If any provision of this Agreement or portion hereof shall be held to any extent invalid or unenforceable, the remainder of this Agreement (or of such provision) shall not be affected hereby.
- 7.06 No actual waiver of breach or default by any party of any provision of this Agreement or any failure to enforce any right hereunder shall be deemed or construed to be a waiver of any succeeding breach or default of the same or any other provision, and shall not deprive such party of any right to terminate this Agreement arising by reason of any subsequent breach or default.

- 7.07 The Article headings are placed herein merely as a matter of convenience and are not to be construed as a part of this Agreement.
- 7.08 Neither party shall be responsible to the other party for, nor shall this Agreement be terminated or cancelable by reason of, any failure or delay in performing any of such party's obligations under this Agreement or for other nonperformance hereof if such failure, delay or nonperformance is caused by an event unavoidable or beyond the control of such party.
- 7.09 The parties hereto are independent contractors. Nothing herein shall be construed as creating a partnership or principal/agent relationship between the parties.
- 7.10 This Agreement shall be construed and applied in accordance with the laws of the State of Ohio and the parties hereby submit to the jurisdiction of the Courts of the State of Ohio and/or the Federal Courts of the U.S.A. located in the Northern District of Ohio.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as the date first above written.


ALVIN J. WATSON

Signed 

Name Alvin J. Watson

Date 2-28-01

CUTLER-HAMMER INC.

Signed 

Name John C. Merrison

Date 2/28/01

EXHIBIT "A"

1. CH shall file a U.S. patent application on the subject matter entitled System for Controlling the Speed of an Electric Motor Connected to a Cyclical Load as disclosed in the attachment to this Exhibit and as improved by WATSON.

