

07-25-2002

Form PTO-1595

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

RE

U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

102167654

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

1. Name of conveying party(ies):

Billy J. Stapleton & Susie Stapleton

7-16-02

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

☐ Yes ☒ No

3. Nature of Conveyance:

☐ Assignment☐ Merger☐ Security Agreement☐ Change of Name☒ Other License

Execution Date: May 15, 2002

2. Name and address of receiving party(ies)

Name: PIC Corporation

Internal Address:

Street Address:

23 South Essex Avenue
P.O. Box 543

City: Orange

State: New Jersey

Zip: 07050-0543

Additional name(s) & address(es) attached:

☐ Yes ☒ No

4. Application number(s) or patent number(s): 5,705,176; 5,346,700; and 6,007,832

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

A. Patent Application No.(s):

B. Patent No.(s):

5,705,176 5,346,700 6,007,832

Additional numbers attached? ☐ Yes ☒ No

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

Name: Michael H. Teschner, Esq.

LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK, LLP

Internal Address:

Street Address: 600 South Avenue West

City:
Westfield

State: NJ Zip: 07090

6. Total number of applications and patents involved:

3

7. Total fee (37 CFR 3.41)

\$ 120.00

☐ Enclosed☒ Authorized to be charged to deposit account☐ Authorized to be charged to credit card
(Form 2038 enclosed)

8. Deposit account number:

12-1095

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

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.*Arnold H. Krumholz
Name of Person Signing
SignatureJuly 10, 2002
Date

Total number of pages including cover sheet, attachments, and documents: 15

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PATENT
REEL: 013110 FRAME: 0377

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this "Agreement"), effective this 15th day of May, 2002, is by and between Blue Diamond Extermination & Manufacturing Co., Inc. (for purposes of this Preamble, "Blue Diamond"), a Tennessee corporation having a principal place of business at 1001 Old Highway 11W, Mooresburg, Tennessee 37811-2435, Billy J. Stapleton and Susie Stapleton (collectively, for purposes of this Preamble, "Stapletons"), individuals residing at 401 Arrowhead Drive, Rogersville, Tennessee 37857-2007, and PIC Corporation ("PIC"), a New Jersey corporation having a principal place of business at 23 South Essex Avenue, Orange, New Jersey, 07050-0543.

WHEREAS, Blue Diamond, Stapletons and PIC are parties to a patent infringement lawsuit, captioned *Blue Diamond Extermination & Manufacturing Co., Inc., and Billy Stapleton, and Susie Stapleton v. PIC Corporation*, Civil Action No. 3:01-CV-610, pending in the United States District Court for the Eastern District of Tennessee at Knoxville ("the Civil Action"), wherein Blue Diamond and Stapletons have asserted that certain products sold by PIC infringe United States Patents Nos. 5,705,176, 5,346,700 and 6,007,832 (for purposes of this Preamble, "the Patents"); and

WHEREAS, Blue Diamond, Stapletons and PIC desire to settle the Civil Action based on the terms set forth below;

WHEREAS, PIC desires to obtain a non-exclusive license under the Patents, and Blue Diamond and Stapletons are willing to grant such license under the following terms and conditions;

NOW, THEREFORE, in consideration of the representations, warranties and covenants set forth herein and the full performance thereof, Blue Diamond, Stapletons and PIC hereby agree as follows:

ARTICLE I
Definitions

1.1 The term "Affiliate" as used herein shall mean with respect to any party to this Agreement, any corporation or other business entity that directly or indirectly controls, is controlled by, or is in common control with, a party through ownership of at least fifty percent (50%) of such corporation or other business entity.

1.2 "BLUE DIAMOND" as used herein shall mean Blue Diamond Extermination & Manufacturing Co., Inc., Billy Stapleton and Susie Stapleton, collectively.

1.3 "Confidential Information" as used herein shall mean confidential technical or business information furnished by any party hereto to another party hereto pursuant to this Agreement or in the course of activities under this Agreement.

1.4 The term "Effective Date" as used herein shall mean the last date on which any of the parties executes this Agreement, which date shall be entered above in the Agreement's preamble.

1.5 The term "LICENSED PATENTS" as used herein shall mean United States Patent No. 5,705,176, entitled "INSECTICIDAL BAIT COMPOSITION FOR COCKROACHES," issued to Billy Stapleton and Susie Stapleton, and any reissues, continuations, continuations-in-part and divisionals thereof and all foreign counterpart patents and any patents of addition therefor and any improvement patents related to any such patents; United States Patent No. 5,346,700, entitled "INSECTICIDAL BAIT COMPOSITION FOR

COCKROACHES," issued to Billy Stapleton and Susie Stapleton, and any reissues, continuations, continuations-in-part and divisionals thereof and all foreign counterpart patents and any patents of addition therefor and any improvement patents related to any such patents; United States Patent No. 6,007,832, entitled "INSECTICIDAL BAIT COMPOSITION FOR COCKROACHES," issued to Billy Stapleton, and any reissues, continuations, continuations-in-part and divisionals thereof and all foreign counterpart patents and any patents of addition therefor and any improvement patents related to any such patents.

1.6 The term "LICENSED PRODUCTS" as used herein shall mean pesticide products covered by one or more GRANTED CLAIMS of the LICENSED PATENTS. For purposes of this Agreement, LICENSED PRODUCTS shall include, but shall not be limited to, such pesticide products as now sold by PIC under United States Environmental Protection Agency ("EPA") Registration No. 3095-68-8848.

1.7 The term "GRANTED CLAIMS" as used herein shall mean a claim of an unexpired LICENSED PATENT, which claim has not been disclaimed, revoked, invalidated, cancelled, rendered unenforceable, amended or superseded by administrative or judicial proceedings from which no appeal can be taken.

1.8 The term "NET SALES PRICE" as used herein shall mean the price at which PIC or PIC's Affiliates shall regularly invoice the sale of LICENSED PRODUCTS to unrelated and independent customers, excluding any separately stated finance or interest charges, delivery charges, and taxes of any kind, and less any sales commissions or credit for allowances or returns actually given or paid by PIC or PIC's Affiliates with respect to such LICENSED PRODUCTS.

1.9 The term "NET SALES" as used herein shall mean the cumulative total of NET SELLING PRICE of LICENSED PRODUCTS.

1.10 The term "Parties" as used herein shall mean Blue Diamond Extermination & Manufacturing Co., Inc., Billy Stapleton, Susie Stapleton and PIC Corporation, collectively.

1.11 The term "PIC Parties" as used herein shall mean PIC, PIC's Affiliates and PIC's officers, directors, successors and assigns.

ARTICLE II

Grant of License and Release

2.1 BLUE DIAMOND grants to PIC and PIC's Affiliates a non-exclusive license under the LICENSED PATENTS, without the right to grant sublicenses, to make, use, lease, import, offer to sell, sell and otherwise dispose of LICENSED PRODUCTS, and to practice any methods or processes covered by any LICENSED PATENTS for any purposes, throughout the world upon the terms and conditions herein set forth.

2.2 BLUE DIAMOND also grants to PIC and PIC's Affiliates a non-exclusive license under the LICENSED PATENTS, without the right to grant sublicenses, to have made LICENSED PRODUCTS by another manufacturer for the subsequent use, lease, import, sale or other disposition by PIC or PIC's Affiliates, throughout the world upon the terms and conditions herein set forth.

2.3 BLUE DIAMOND also grants to the direct and indirect purchasers of LICENSED PRODUCTS from PIC and PIC's Affiliates a non-exclusive license to practice any methods or processes covered by any LICENSED PATENTS in conjunction with the use of such LICENSED PRODUCTS.

2.4 Upon payment of the consideration set forth in Paragraph 3.1, BLUE DIAMOND hereby releases, acquits and forever discharges: (i) the PIC Parties from any and all claims that were brought, or could have been brought, in the Civil Action, including but not limited to, any and all claims or liabilities for infringement, contributory infringement and/or inducement of infringement of any LICENSED PATENTS prior to the Effective Date; and/or (ii) any of the PIC Parties' direct or indirect customers and suppliers from any and all claims or liabilities for any infringement, contributory infringement and/or inducement of infringement of any LICENSED PATENTS in connection with any manufacture, use, sale, distribution or other exploitation of LICENSED PRODUCTS, or parts thereof, provided by or for the PIC Parties prior to the Effective Date.

2.5 Upon payment of the consideration set forth in Paragraph 3.1, BLUE DIAMOND covenants and agrees never to commence, prosecute, join, add or participate in any way (except as may be required by subpoena or court order), or cause to be commenced or prosecuted, any action or legal proceeding against: (i) the PIC Parties relating to any and all claims that were brought, or could have been brought, in the Civil Action, including but not limited to, any and all claims or liabilities for infringement, contributory infringement and/or inducement of infringement of any LICENSED PATENTS prior to the Effective Date; and/or (ii) any of the PIC Parties' direct or indirect customers and suppliers relating to any and all claims or liabilities for any infringement, contributory infringement and/or inducement of infringement of any LICENSED PATENTS in connection with any manufacture, use, sale, distribution or other exploitation of LICENSED PRODUCTS, or parts thereof, provided by or for the PIC Parties prior to the Effective Date.

2.6 Upon payment of the consideration set forth in Paragraph 3.1, BLUE DIAMOND covenants and agrees never to commence, prosecute, join, add or participate in any way (except as may be required by subpoena or court order), or cause to be commenced or prosecuted, any action or legal proceeding against the PIC Parties: (i) seeking compensation for the PIC Parties' use of, reference to or reliance on any information, including but not limited to data, tests, studies or other information, submitted by BLUE DIAMOND in support of any pesticide registration registered to BLUE DIAMOND by the EPA relating to the LICENSED PRODUCTS; and (ii) challenging the validity of or seeking cancellation or suspension of any pesticide registration issued or registered to the PIC Parties by the EPA or any other similar or related federal and/or state agency, relating to the LICENSED PRODUCTS.

2.7 Within sixty (60) days of execution of this Agreement, PIC may, in its sole discretion, record this Agreement with the United States Patent and Trademark Office ("PTO"). PIC may, in its sole discretion, submit this Agreement with the PTO for recordation *in toto* or by redacting out certain portions, paragraphs and/or provisions thereof deemed by PIC to be Confidential Information.

ARTICLE III **Consideration**

3.1 As consideration for the covenants and releases provided in Paragraphs 2.4, 2.5 and 2.6, PIC shall pay to BLUE DIAMOND the sum of

United States Dollars (\$ United States) (hereinafter "the Payment").

The Payment shall be made by check and sent via overnight delivery within fourteen (14) days after the Effective Date (hereinafter "the Payment Date"). The Payment shall be sent to:

REDACTED

Threadgill & Associates, P.C.
c/o John O. Threadgill, Esq.
P.O. Box 31979
Knoxville, Tennessee 37930-1979

The Payment shall be made jointly payable to John O. Threadgill, Billy Stapleton and Susie Stapleton.

3.2 As consideration for the licenses provided in Paragraphs 2.1, 2.2 and 2.3,
PIC shall pay to BLUE DIAMOND a royalty of .

3.3

3.4

3.5

REDACTED

ARTICLE IV
Warranties

4.1 BLUE DIAMOND represents and warrants that it has the full right, power and authority to execute and perform this Agreement and to grant the license, covenant-not-to-sue and release set forth in Article II. BLUE DIAMOND also represents and warrants that no outstanding agreements, assignments or encumbrances exist that are inconsistent with this license, covenant-not-to-sue and release. BLUE DIAMOND's execution and

REDACTED

performance of this Agreement will not violate any charter documents or any law, regulations, judgment or order.

4.2 BLUE DIAMOND represents and warrants that its execution and performance of this Agreement will not violate any charter documents or any laws, regulations, judgments or orders, and that BLUE DIAMOND owns all right, title and interest in and to the LICENSED PATENTS.

ARTICLE V **Dismissal Of The Complaint**

5.1 Within seven (7) business days of the Effective Date, the Parties shall execute and file a Stipulation And Order Of Voluntary Dismissal With Prejudice in the form attached hereto as Exhibit A.

ARTICLE VI **Breach Of Agreement**

6.1 If one Party believes that the other Party has breached this Agreement, the non-breaching Party shall provide written notice of the breach to the breaching Party at the address listed in Paragraph 7.6 of this Agreement. The breaching Party shall then have forty-five (45) days to cure the breach.

ARTICLE VII **General Provisions**

7.1 This Agreement contains the entire agreement between the Parties with respect to its subject matter. This Agreement may not be modified except by an instrument in writing signed by an officer or duly authorized representative of each of the Parties.

7.2 This Agreement shall inure to the benefit of, and is binding upon, the legal successors and permitted assigns of the respective parties. Unless prior consent is received from

BLUE DIAMOND, PIC shall not assign any of its rights, or delegate any of its obligations, under this Agreement. Notwithstanding the foregoing, PIC may assign its rights under this Agreement, without the consent of BLUE DIAMOND, to an entity to which all, or substantially all, of PIC's assets relating to the subject matter of any LICENSED PRODUCTS are sold or transferred. BLUE DIAMOND shall not assign any rights under this Agreement unless the assignee agrees to be bound by the terms of this Agreement.

7.3 If the performance of obligations under this Agreement is prevented, restricted or interfered with due to the acts of civil or military authority, acts of the other party or by reason of "force majeure," which shall be deemed to mean all other causes whatsoever not reasonably foreseeable or under the control of a given party, including but not limited to acts of God or enemy action, fire, flood, explosion, strikes, or any actions of the elements, the parties so affected shall not be liable to the other for damages to the extent of such prevention, restriction or interference.

7.4 Any and all controversies or claims of any nature arising out of or relating to this Agreement or the scope, breach, termination or validity thereof, whether based on contract, tort, statute, fraud, misrepresentation or any other legal or equitable theory, including but not limited to any dispute over whether a product is covered by one or more GRANTED CLAIMS (the "Claim"), shall be resolved solely and exclusively by one (1) arbitrator in accordance with the rules of the American Arbitration Association. At least thirty (30) days prior to the initiation of the procedures set forth in this Paragraph, the party pursuing a Claim shall provide written notice of its intent to the other party; during such period, the Parties shall use good faith efforts to resolve the claim. The place of arbitration shall be within the State of

Tennessee if a Claim is first filed by BLUE DIAMOND, or the State of New Jersey if a Claim is first filed by PIC. Each party shall bear its own expenses, but those related to the compensation of the arbitrator shall be borne by the non-prevailing party.

7.5 This Agreement shall be governed by, and construed in accordance with, the laws of the State of Tennessee.

7.6 All notices delivered by a party to another party under this Agreement shall be in writing and shall be personally delivered, deposited prepaid with an internationally recognized express courier, or mailed by certified or registered mail to the other party at its address stated in this Agreement, unless otherwise instructed in writing by the other party. Notices shall be deemed given upon mailing. A copy of each notice from PIC to BLUE DIAMOND shall be sent, by first class mail, to:

John O. Threadgill, Esq.
Threadgill & Associates, P.C.
P.O. Box 31979
Knoxville, TN 37930-1979

and to:

Blue Diamond Extermination & Manufacturing Co., Inc.
1001 Old Highway 11W
Mooresburg, TN 37811-2435

and to:

Billy Stapleton & Susie Stapleton
401 Arrowhead Drive
Rogersville, TN 37857-2007

A copy of each notice from BLUE DIAMOND to PIC shall be sent, by first class mail, to:

Arnold B. Dompieri, Esq.
Lerner, David, Littenberg, Krumholz & Mentlik, LLP
600 South Avenue West
Westfield, NJ 07090-1497

and to:

PIC Corporation
23 South Essex Avenue
Orange, NJ 07050-0543

7.7 Except as provided in Paragraph 2.7, neither party hereto shall disclose the terms and conditions contained in this Agreement to any third party without the prior written consent of the other party, except that PIC may disclose the terms and conditions of this Agreement to the extent necessary to exercise and exploit its licenses hereunder, and BLUE DIAMOND may disclose the terms and conditions of this Agreement to the extent necessary to enforce, and license, the LICENSED PATENTS. Notwithstanding the foregoing, the parties may disclose the terms and conditions of this Agreement to the extent necessary to comply with the requirements of governmental authorities, in response to a court order or to comply with discovery in litigation subject to obtaining an appropriate protective order.

7.8 The parties hereto agree that PIC may fully exercise all of its rights and elections under this Agreement in the event that any proceeding shall be instituted by or against BLUE DIAMOND seeking to adjudicate it bankrupt or insolvent under any bankruptcy law, including the United States Bankruptcy Code, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking an entry of an order for relief or the appointment of a receiver.

7.9 This Agreement constitutes the full and complete understanding between the Parties hereto, with respect to the subject matter herein. Except as otherwise stated herein, any and all agreements or understandings that existed prior to or contemporaneous with the execution of this Agreement are hereby merged and integrated into this Agreement, the terms and conditions of which shall supercede any such prior or contemporaneous written or oral agreements or understandings. Any additions or modifications to this Agreement must be made in writing, by joint consent of and signed by the Parties.

7.10 The Parties participated jointly in drafting this Agreement. For purposes of construction of the meaning of this Agreement, neither BLUE DIAMOND nor PIC shall be considered as the author. This Agreement shall not be construed unfavorably against either BLUE DIAMOND or PIC based upon the authorship of this Agreement.

7.11 Nothing in this Agreement shall be construed as an admission, representation or agreement by PIC: (i) as to the scope, validity and/or enforceability of the LICENSED PATENTS; or (ii) that any products, practices, services or other activities of PIC or its customers infringe any LICENSED PATENTS. Providing that BLUE DIAMOND complies with the terms and conditions of this Agreement, PIC agrees not to contest the validity and/or enforceability of the LICENSED PATENTS.

7.12 This Agreement may be executed in a number of counterparts, each of which shall be deemed an original and all of which together constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be

duly signed and executed by duly authorized officers.

PIC CORPORATION

BLUE DIAMOND EXTERMINATION
& MANUFACTURING CO., INC.

By: Allen Rubel
Name: _____
Title: President
Date: May 15, 2002

By: Billy J. Stapleton
Name: _____
Title: President
Date: 05-15-02

BILLY J. STAPLETON

By: Billy J. Stapleton
Date: 05-15-02

SUSIE STAPLETON

By: Susie Stapleton
Date: 05-15-02