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OMB No. 0651-0027 (exp. 6/30/2005)



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

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102350994

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

## 1. Name of conveying party(ies):

PSC, Inc.

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

Name: Hand Held Products, Inc.

Internal Address: \_\_\_\_\_

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

## 3. Nature of conveyance:

☐

Assignment

☐

Merger

☐

Security Agreement

☐

Change of Name

☒

Other License Agreement

Street Address: 700 Visions Drive

City: Skaneateles Falls State: NY Zip: 13153

Execution Date: 02/16/2001

Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 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) 09/412015; 09/610232

B. Patent No.(s) \_\_\_\_\_

Additional numbers attached? ☐ Yes ☒ No

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

Name: Robert J. Sinnema

Internal Address: Bond, Schoeneck &amp; King, PLLC

Street Address: One Lincoln Center

City: Syracuse State: NY Zip: 13202

## 6. Total number of applications and patents involved: 2

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

☐ Enclosed☒ Authorized to be charged to deposit account

## 8. Deposit account number:

50-1546

DO NOT USE THIS SPACE

## 9. Signature.

Robert J. Sinnema

Name of Person Signing

Signature

1/21/2003

Date

Total number of pages including cover sheet, attachments, and documents: 10

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patents & Trademarks, Box Assignments  
Washington, D.C. 20231

01/28/2003 TDIAZ1 00000082 501546 09412015  
01 FC:8021 80.00 CH

PATENT  
REEL: 013690 FRAME: 0811

# **LICENSE AGREEMENT**

This License Agreement is entered into by and among PSC INC. ("PSC"), a New York corporation, and WELCH ALLYN DATA COLLECTION, INC. ("Welch Allyn"), a Delaware corporation, and is effective as of February 16, 2001 (the "Effective Date").

## **Recitals**

A. PSC and Welch Allyn have entered into a Purchase and Sale Agreement (the "Purchase Agreement") dated the date hereof pursuant to which Welch Allyn purchased assets and rights to manufacture and distribute certain products developed by PSC. This License Agreement is made part of and incorporated into the Purchase Agreement under Paragraph 2.6(c) of the Purchase Agreement.

B. PSC and Welch Allyn have determined that it is in their mutual interest to enter into this License Agreement.

## **Agreement**

### **1. Definitions**

"**Fixed Position Products**" shall mean scanning or reading devices which are built into a counter or other flat surface and which are not designed to be portable or hand held in any manner.

"**Handheld Products**" shall mean Imaging Products which include a wand or handle component for support and operation of the device with a single hand.

"**Imaging Patent Rights**" shall mean the patents, patent applications, and invention disclosures owned by PSC which are listed on Schedule 1.3 to the Purchase Agreement, and any continuations, continuations-in-part, divisions, reissues or extensions of any of the foregoing.

"**Imaging Products**" shall mean (a) scanning or reading devices (including devices under development) which utilize a non-laser light source and contain a Matrix-Array of sensors that convert light to electricity (including PSC's Imager 8000 product), (b) scan engines used in such devices, and (c) derivations, configurations or customizations thereof. Devices which contain a Linear Array shall not be deemed to be Imaging Products.

"**Linear Array**" shall mean a one-dimensional array of sensors arranged in a single row.

**"Matrix-Array"** shall mean a two-dimensional array of sensors arranged in stacked rows and columns so as to create a matrix.

**"Net Sales Price"** of a product shall mean the invoice price less discounts, allowances, returns, transportation charges, freight insurance, duties, and sales, value-added, excise or other taxes directly related to the sale.

**"Presentation Products"** shall mean scanning or reading devices that are intended primarily to rest on a flat surface and do not include a wand or handle component for support and operation of the device with a single hand, but which may feature a body portion having contouring which facilitates retention of the device with the fingers of a hand.

**"Verification Patents"** shall mean the patents, patent applications, and invention disclosures owned by PSC which are listed on Schedule 1.4 to the Purchase Agreement, and any continuations, continuations-in-part, divisions, reissues or extensions of any of the foregoing.

**"Verification Products"** shall mean devices (including devices under development) used for analyzing, evaluating, or otherwise characterizing the quality of a bar code label (e.g., ink, paper or print quality), including, without limitation, PSC's Quick Check family of portable, PC-based and on-line products listed on Schedule 1.7 to the Purchase Agreement, and any derivations, configurations or customizations thereof; provided that Fixed Position Products whose primary function is capturing and decoding information contained in a bar code shall not be deemed to be Verification Products.

## **2. Grants**

2.1 PSC hereby grants Welch Allyn a royalty-free, worldwide, perpetual license to practice the Imaging Patent Rights and to make, have made, use, lease, import, offer to sell, and sell products under the Imaging Patent Rights. The license rights to Welch Allyn are exclusive, subject to the exercise of option rights to acquire a license to PSC's patents that have been previously granted to Symbol Technologies, Inc. and subject to the rights reserved by PSC under Sections 2.2 and 2.3 of this Agreement. Welch Allyn shall have the right to sub-license the rights granted under this Section 2.1. In the event Symbol Technologies exercises its right to obtain a license to any of the Imaging Patent Rights, PSC agrees to promptly remit to Welch Allyn all royalty payments received by PSC from Symbol Technologies in respect of any of the Imaging Patent Rights, as and when received.

2.2 PSC reserves the right to make, have made, use, lease, import, offer to sell and sell Handheld Products, portable data terminals, Presentation Products, reading or scanning devices containing a Linear Array, and scan engines for any of the foregoing under the Imaging Patent Rights, provided that this reserved right shall not be exercisable until the expiration of twenty-four (24) months after the Effective Date of this

Agreement. PSC agrees to pay to Welch Allyn six percent (6%) of the Net Sales Price of each unit sold by PSC pursuant to the rights reserved under this Section 2.2. The rights reserved by PSC under this Section 2.2 shall not be further licensed, except that PSC's customers and their subsequent transferees shall have an implied license to use and sell products purchased or leased from PSC and to practice the methods claimed under the Imaging Patent Rights when using such products.

2.3 PSC also reserves the right, exercisable at any time, to make, have made, use, lease, import, offer to sell and sell Fixed Position Products under the Imaging Patent Rights without payment of any amounts to Welch Allyn. The rights retained by PSC under this Section 2.3 shall not be further licensed, except that PSC's customers and their subsequent transferees shall have an implied license to use and sell products purchased or leased from PSC and to practice the methods claimed under the Imaging Patent Rights when using such products.

2.4 PSC hereby grants to Welch Allyn a non-exclusive, royalty-bearing, worldwide, perpetual license under U.S. Patents '368, '488, '851, '803, '847 and any continuations, divisional, reissued or foreign patent counterparts thereto to practice the patent rights to make, have made, use, lease, import, offer to sell and sell the hand-held imaging scanners or readers included within Welch Allyn product series 4410, 4710, 7400, 7200, 4200, 4250 and subsequent variations having the same or similar fundamental components and system architecture. It is understood between the parties that only certain patents may be utilized by Welch Allyn and therefore the following royalty rates shall apply: the royalty rate for each of the '368 patent and the '488 patent shall be one percent (1%) of the Net Sales Price per unit; and the royalty rate for each of the '851 patent, the '803 patent and the '847 patent shall be one-half percent (0.5%) of the Net Sales Price per unit. Total royalty payments under this Section 2.4 shall not exceed \$250,000. The license rights under this Section 2.4 shall not be sub-licensed, except that Welch Allyn's customers and their subsequent transferees shall have an implied license to use and sell licensed products purchased or leased from Welch Allyn and to practice the methods claimed under the patents licensed under this Section when using such products.

2.5 PSC hereby grants to Welch Allyn a non-exclusive, royalty-bearing, worldwide, perpetual license under U.S. Patents '368, '488, '851, '803, '847 and any continuations, divisional, reissued or foreign patent counterparts thereto to practice the patent rights to make, have made, use, lease, import, offer to sell and sell the hand-held imaging scanners or readers included within Welch Allyn product series 3800, 3800E and 3900 and subsequent variations having the same or similar fundamental components and system architecture. It is understood between the parties that only certain patents may be utilized by Welch Allyn and therefore the following royalty rates shall apply: the royalty rate for each of the '368 patent and the '488 patent shall be one percent (1%) of the Net Sales Price per unit; and the royalty rate for each of the '851 patent, the '803 patent and the '847 patent shall be one-half percent (0.5%) of the Net Sales Price per unit. Total royalty payments under this Section 2.5 shall not exceed \$250,000. The license rights under this Section 2.5 shall not be sub-licensed, except that Welch Allyn's customers and

their subsequent transferees shall have an implied license to use and sell licensed products purchased or leased from Welch Allyn and to practice the methods claimed under the patents licensed under this Section when using such products.

2.6 PSC hereby grants to Welch Allyn a non-exclusive, royalty-bearing, worldwide, perpetual license under U.S. Patents '368, '488, '851, '803, '847 and any continuations, divisional, reissued or foreign patent counterparts thereto to practice the patent rights to make, have made, use, lease, import, offer to sell and sell Presentation Scanners. It is understood between the parties that only certain patents may be utilized by Welch Allyn and therefore the following royalty rates shall apply: the royalty rate for each of the '368 patent, the '488 patent and the '847 patent shall be three percent (3%) of the Net Sales Price per unit; and the royalty rate for each of the '851 patent and the '803 patent shall be one percent (1%) of the Net Sales Price per unit. Notwithstanding the royalty rates described in this Section 2.6, the cumulative royalty rate paid under this Section 2.6 shall not exceed five percent (5%). The license rights under this Section 2.6 shall not be sub-licensed, except that Welch Allyn's customers and their subsequent transferees shall have an implied license to use and sell licensed products purchased or leased from Welch Allyn and to practice the methods claimed under the patents licensed under this Section when using such products.

2.7 Welch Allyn may, at its sole option, grant to PSC a license, on commercially reasonable terms, to certain Welch Allyn patents which apply to Imaging Products. Any such license will take into account and will not be cumulative with the amounts paid by PSC under Section 2.2.

2.8 PSC agrees that it will not assert or initiate any action or proceeding against Welch Allyn or any of Welch Allyn's direct or indirect customers which claims or alleges that any of PSC's intellectual property (i.e., patents, patent applications and invention disclosures) existing as of the Effective Date of this Agreement has been infringed as a result of the manufacture, sale, offer for sale, lease, importation or use of any Verification Products or any of the products contained in Welch Allyn product series 4410, 4710, 3800, 3800E, 3900, 7400, 7200, 4200, 4250 and subsequent variations having the same or similar fundamental components and system architecture. This covenant does not apply to any breach by Welch Allyn of any terms of this Agreement, the Purchase Agreement or any of the ancillary documents executed pursuant to the Purchase Agreement.

2.9 For a period of two (2) years from the Effective Date of this Agreement, Welch Allyn agrees that it will not assert or initiate any action or proceeding against PSC or any of PSC's direct or indirect customers which claims or alleges that any of Welch Allyn's intellectual property (i.e., patents, patent applications and invention disclosures) existing as of the Effective Date of this Agreement has been infringed as a result of the manufacture, sale, offer for sale, lease, importation or use of any PSC product. This covenant does not apply to any breach by PSC of any terms of this Agreement, the Purchase Agreement, or any of the ancillary documents executed pursuant to the Purchase Agreement.

2.10 Welch Allyn hereby agrees that it will not assert or initiate any action against PSC which claims or alleges that PSC is infringing the rights in the Quick Check trademark being acquired by Welch Allyn under the Purchase Agreement by using the mark "QUICKcheck", provided that (a) PSC uses the mark "QUICKcheck" only in connection with the sale of self check-out systems to retailers, and (b) each use of the "QUICKcheck" mark is coupled with the mark "PSC". Notwithstanding the foregoing, PSC may use up its current inventory of products, software, documents and supplies that bear the "QUICKcheck" trademark which are in existence as of the Closing Date. Welch Allyn consents to PSC's registration of "PSC QUICKcheck" as a trademark for use in connection with retail self check-out systems.

### **3. Payments**

3.1 All amounts due under this Agreement shall be paid within forty-five (45) days of the end of each March, June, September and December based upon sales made during the quarter then ended. Each payment shall be accompanied by a written statement setting forth a description of each product sold during such quarter and the quantities thereof, the aggregate Net Sales Price for each product, and the calculation of the amounts due hereunder.

3.2 Each party required to make payments under this Agreement shall keep accurate books and records relating to the sale of products for which payments are due hereunder and shall maintain the books and records for a period of three years after the sale. Each party receiving payments under this Agreement shall have the right, at its own expense and not more than once per year, to have an independent representative examine the books and records of the paying party in order to verify the accuracy of the quarterly payments due hereunder and the accompanying written statements. The independent representative shall be under an obligation to maintain the confidentiality of the books and records examined, and may communicate to its client only whether the payments due hereunder were accurate and, if not, the amount of the discrepancy.

### **4. Infringement and Litigation**

4.1 Welch Allyn may at its sole discretion defend the Imaging Patents Rights licensed under this Agreement against infringement or interference by other parties in any country in which a PSC patent is in effect hereunder, including bringing any legal action for infringement or defending any counterclaim of invalidity or action of a third party for declaratory judgment of non-infringement or interference. Welch Allyn may settle any such actions solely at its own expense and through counsel of its selection; provided, however, that PSC shall be entitled in each instance to participate through counsel of its selection and at its own expense. PSC agrees to provide reasonable assistance to Welch Allyn with respect to any such actions undertaken by Welch Allyn (including agreeing to be a named party in any litigation if required for the prosecution thereof) and to provide all reasonable and necessary expertise and expert advice as well as other reasonable assistance to Welch Allyn as requested, and Welch Allyn shall reimburse PSC for PSC's

out-of-pocket expenses in connection with any such requested assistance. Welch Allyn shall bear the expenses of such actions and shall obtain all benefits in the recoveries, if any, whether by judgment, award, decree or settlement.

## **5. Patent Marking**

5.1 Welch Allyn shall apply the patent marking notice required by the law of any country where it makes, sells, offers to sell or uses the products that embody the PSC patents licensed under this Agreement, to the extent feasible and practical, and in accordance with the applicable patent law of that country.

5.2 PSC shall apply the patent marking notice required by the law of any country where it makes, sells, offers to sell or uses the products that embody the PSC patents included within the Imaging Patent Rights, to the extent feasible and practical, and in accordance with the applicable patent law of that country.

## **6. Warranties and Covenants**

6.1 PSC represents and warrants to the best of its knowledge and belief that PSC is the sole and exclusive owner of the PSC patents licensed under this Agreement and that the PSC patents licensed under this Agreement are genuine and valid.

6.2 With respect to those PSC patents licensed hereunder which have been granted as of the Effective Date of this Agreement, PSC agrees to pay all maintenance fees and perform all other necessary administrative acts within the appropriate patent office to maintain such patents in full force and effect in all those jurisdictions where such patents are currently in effect.

6.3 At Welch Allyn's request, PSC agrees to file and diligently prosecute those patent applications included within the Imaging Patent Rights in the United States and in any other jurisdiction requested by Welch Allyn. Welch Allyn shall be entitled to consent to the patent attorneys selected by PSC to file and prosecute the patent applications, which consent will not be unreasonably withheld. PSC agrees to consult and cooperate with Welch Allyn in the prosecution and filing of such patent applications and to direct its attorneys to do likewise. Welch Allyn shall pay all costs (including attorneys fees) of filing and prosecuting such applications and shall pay all maintenance fees necessary to maintain any patents which issue as a result of such applications.

6.4 PSC further agrees to provide all reasonable and necessary assistance to Welch Allyn in the prosecution of the patent applications, currently existing and subsequently filed, on any currently existing invention disclosures included within the Verification Patents assigned to Welch Allyn pursuant to the Purchase Agreement. The obligation to provide assistance hereunder shall automatically terminate at such time as PSC no longer employs any of the inventors named in the patent applications or invention disclosures. PSC agrees to bear any out-of-pocket expenses associated with the assistance under this Section 6.4.

## **7. Assignment**

7.1 The rights and obligations of either party under this Agreement shall not be assigned, in whole or in part, by either party (whether by operation of law or otherwise) without the prior written consent of the other party. Notwithstanding the foregoing, a party may, without obtaining the consent of the other party, assign its rights under this Agreement to a person or entity that acquires or succeeds to the line of business to which this Agreement relates, provided that any such assignment shall not relieve the assigning party of its obligations hereunder.

## **8. Miscellaneous**

8.1 This Agreement shall be governed by and construed in accordance with the laws of the State of New York without giving effect to New York choice of law rules.

8.2 This Agreement may be amended or modified only in a writing signed by authorized representatives of both parties hereto.

8.3 In the event any portion of this Agreement is deemed by a court to be invalid or unenforceable, such invalid or unenforceable provision shall be severed from the rest of this Agreement which shall be enforced in accordance with its terms, provided, however, if the severed provision materially affects a party's obligations hereunder, the remainder of the Agreement shall be adjusted ratably so as to place the parties in the same relative position they were in before the invalid or unenforceable provision was severed.

8.4 This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument. Delivery of an executed signature page by facsimile transmission shall be as effective as delivery of a manually signed counterpart.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have caused this License Agreement to be duly executed as of the day and year first above written.

PSC INC.

By: William L. Parnell Jr  
Title: Executive V.P. & C.O.O.

WELCH ALLYN DATA COLLECTION, INC.

By: \_\_\_\_\_  
Joseph M. Hennigan  
Chief Financial Officer


IN WITNESS WHEREOF, the parties have caused this License Agreement to be duly executed as of the day and year first above written.

PSC INC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

WELCH ALLYN DATA COLLECTION, INC.

By:  \_\_\_\_\_  
Joseph M. Hennigan  
Chief Financial Officer

## **SCHEDULE 1.3**

### **IMAGING PATENTS, PATENT APPLICATIONS AND INVENTION DISCLOSURES**

**Patents:** None

**Patent Applications:**

Lyon & Lyon #258/140 "Adaptive Image Thresholder / ROI Locator (Oswalt)

Lyon & Lyon #249/263 "Apparatus for Optical Distancing, Autofocus & Imaging (Bremer)

Lyon & Lyon #245/147 "Triggerless Optical Reader w/ Signal Enhancement Features" (La)

**Invention Disclosures:**

PSC 0457 "Auto zoom for 2D Imager" (La, Zavervkha)

PSC 0598 "Optical Imaging Reader with Improved Illumination" (Bremer)

PSC 0631 "Optical Imaging Reader with VLDM Illumination and Focus locator (Bremer, Blough)

PSC 0638 "Illumination, Aiming, and Best Focus Indicators..." (Bremer, Blough, LaManna)

PSC 0488 "Hall-Effect Based Triggering Mechanism for 2D Barcode Scanner (Maniaci, Zavervkha)

PSC0715 "EditWare" (Barry Keys, Steve Deloge, Larry Ramsey-Macomber)

**CERTIFICATE OF AMENDMENT**  
**OF THE**  
**CERTIFICATE OF INCORPORATION**  
**OF**  
**WELCH ALLYN DATA COLLECTION, INC.**

**(Pursuant to Section 242 of the General Corporation Law of the State of Delaware)**

Welch Allyn Data Collection, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation"),  
DOES HEREBY CERTIFY THAT:

**FIRST:**       The Board of Directors and Stockholders of the Corporation have authorized changing the name of the Corporation from Welch Allyn Data Collection, Inc. to Hand Held Products, Inc.

**SECOND:**     The following amendment to the Corporation's Certificate of Incorporation was duly adopted by the Corporation's Board of Directors and Stockholders in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware:

RESOLVED, that the Certificate of Incorporation of Welch Allyn Data Collection, Inc. be amended by changing Article 1 thereof so that, as amended, said Article shall read as follows:

1.     Name. The name of the corporation is Hand Held Products, Inc. (the "Corporation").

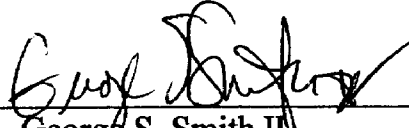
**THIRD:**       In lieu of a meeting and vote of Stockholders, the Stockholders have given written consent to said amendment in accordance with the provisions of Section 228 of the General Corporation Law of the State of Delaware and written notice of the adoption of the

amendment has been given, as provided in Section 228 of the General Corporation Law of the State of Delaware, to every Stockholder entitled to such notice.

FOURTH: The aforesaid amendment was duly adopted in accordance with the applicable provisions of Sections 242 and 228 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed on this 25th day of June, 2001, by the undersigned, who was duly authorized, and the signature of the undersigned shall constitute the affirmation and the acknowledgement of the undersigned, under penalties of perjury, that the Certificate of Amendment is the act and deed of the Corporation, and that the facts stated herein are true.

WELCH ALLYN DATA COLLECTION, INC.

By:   
George S. Smith II  
Secretary

678165.01

RECORDED: 01/27/2003

PATENT  
REEL: 013690 FRAME: 0823