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Form PTO-1595 (Rev. 03/01) 3-1-04 REC
OMB No. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

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

1. Name of conveying party(ies):

Jason R. Brand

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

2. Name and address of receiving party(ies)

Name: Team Wendy, LLC

Internal Address:

Street Address: 12819 Coit Road

City: Cleveland State: Ohio Zip: 44108

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

3. Nature of conveyance:

☐ Assignment ☐ Merger

☐ Security Agreement ☐ Change of Name

☒ Other Memorandum of Law Re: Transfer of Title from Inventor Jason R. Brand to Team Wendy, LLC & Declaration of Steven Solomon; Assignment (Ex. 1); Agreement (Ex. 2)

Execution Date: February 23, 2004

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) 10/672,247

B. Patent No.(s)

Additional numbers attached? ☐ Yes ☒ No

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

Name: John P. Murtaugh

Internal Address:

Street Address: 1801 East 9th Street, Suite 1200

City: Cleveland State: Ohio Zip: 44114-3108

6. Total number of applications and patents involved: 1

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

☒ Enclosed

☒ Authorized to be charged to deposit account any fees not covered by an enclosed check.

8. Deposit account number:

16-0820, Order No. 34563US1

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

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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.

Steven J. Solomon
Name of Person Signing

Signature

February 25, 2004
Date

Total number of pages including cover sheet, attachments, and documents: 14

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

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant: Charles M. Milliren et al.

Serial No.: 10/672,247

Filed: September 26, 2003

Title: PROTECTIVE FOAM WITH SKIN

Docket No.: 34563US1

MEMORANDUM OF LAW RE: TRANSFER OF TITLE FROM INVENTOR, JASON R. BRAND TO TEAM WENDY, LLC, AND DECLARATION OF STEVEN J. SOLOMON

Steven J. Solomon hereby declares as follows:

1. I am a patent attorney and an associate with the firm of Pearne & Gordon LLP, 1801 East 9th Street, Suite 1200, Cleveland, Ohio 44114. I have been admitted to the practice of law by the Supreme Court of Ohio, Ohio Registration No. 0076876. I am currently licensed to practice law in the State of Ohio. In support of this Memorandum and Declaration, I have studied and familiarized myself with Ohio law pertaining to assignment-of-invention clauses in employment contracts.

2. I am familiar with the facts stated herein relating to the employment of Jason R. Brand by Team Wendy, LLC, and also that Jason R. Brand is identified as a co-inventor of the subject matter of the above-captioned U.S. patent application.

3. On September 30, 2002, Jason R. Brand ("Mr. Brand") executed an assignment (attached as Exhibit 1) assigning to Team Wendy, LLC (the "Company") all his right, title and interest in an invention entitled PROTECTIVE FOAM WITH SKIN, which was the subject of a provisional patent application prepared by the undersigned under Pearne & Gordon LLP Docket No. 34563. That provisional patent application was filed in the U.S. Patent and Trademark Office on October 3, 2002 and assigned serial No. 60/415,845. The above-captioned U.S. utility patent application (the "Utility Application") claims priority from, and is drawn to the same invention described in, that provisional

application. Therefore, by the above assignment Mr. Brand already has assigned that portion of his invention claimed in the Utility Application that existed or was described in the '845 provisional application as of September 30, 2002. Any additional subject matter not existing as of that date which is or may be claimed in the Utility Application also has been transferred to, and is owned by, the Company by operation of an employment agreement executed by Mr. Brand as fully explained below.

4. On July 16, 2001, commensurate with the start of his employment with the Company, Mr. Brand executed an employment agreement with the Company (the "Agreement"). A copy of this Agreement is attached hereto as Exhibit 2, and is fully incorporated herein by reference.

5. Following execution of the Agreement, and through until sometime in late 2003, Mr. Brand was continuously employed by the Company. Mr. Brand's employment was adequate consideration for the covenants made by Mr. Brand in the Agreement, as recited therein.

6. During his employment with the Company, Mr. Brand was a co-inventor of the subject matter claimed in the Utility Application, (the "Invention"). On October 13, 2003, I sent to Mr. Brand a letter enclosing a complete copy of the Utility Application describing and claiming the Invention, and an assignment document. In my letter, I requested Mr. Brand to execute the assignment and to return the executed assignment to me no later than November 13, 2003. Mr. Brand has failed to return to me the executed assignment.

7. The Invention relates to improvements for protective foam material useful as an energy absorbing liner in protective helmets, e.g., sporting helmets. The development, manufacture and sale of helmets is the principal business in which the Company is engaged, and the testing of helmets and improvements to helmet materials was a principal part of Mr. Brand's employment responsibilities. Therefore, the above-noted Invention is within the scope of the Company's principal business, and it is related to Mr. Brand's employment by the Company.

8. Moreover, according to information from Charles M. Milliren, another of the co-inventors and a Company employee, the Invention was co-invented by Mr. Brand at least in part on Company time, in consultation with Company employees, on Company premises. It is also noted that in the Agreement, Mr. Brand expressly acknowledged he had not conceived any inventions or improvements prior to his employment by the Company, unequivocally indicating the above-noted Invention was entirely made during Mr. Brand's employment with the Company.

9. Section 4 of the Agreement, entitled Disclosure and Assignment of Inventions, addresses the ownership of inventions or improvements made by Mr. Brand during the course of his employment with the Company. Specifically, the term "Improvements" is defined in section 4 of the Agreement to mean:

> all ideas, inventions, discoveries, and improvements, whether or not patentable, which Employee [Mr. Brand] conceives or makes, alone or with others, during or relating to his/her employment with Team Wendy, LLC and which were made partially or wholly with the use of equipment, supplies, facilities or information of the Company, or which were developed partially or wholly on Team Wendy, LLC time.

10. Subsequently in section 4 of the Agreement, it states "Employee [Mr. Brand] hereby assigns to Team Wendy, LLC, without additional charge, all rights, title, and interest in Improvements worldwide."

11. Section 11 of the Agreement states that the Agreement shall be interpreted under the laws of the State of Ohio. Accordingly, the Agreement is properly construed under Ohio law.

12. In Ohio, "[o]rdinarily, a contract in which an employee agrees that inventions or discoveries made by the employee during employment are to become the employer's property is valid and may be specifically enforced as to the employee's patentable ideas." Oh. Jur. 3d EMPLOYMENT RELATIONS § 142, *citing United Aircraft Products, Inc. v. Cruzan*, 76 Oh. App. 540, 62 N.E.2d 763 (2nd Dist. 1945). In Cruzan, the Ohio Court of Appeals enforced a contract provision in which an employee agreed that inventions "now known...or discovered or made ...either in whole or in part, during the term of said employment shall immediately become the absolute property of the company." *Id.* at

545, 766. The quoted contract provision assigned both existing and future-made inventions to the employer, so long as they were made "during the term of said employment." Though the inventions at issue in *Cruzan* already existed at the time the contract was signed, the court's decision indicated future-made inventions also would have been effectively transferred to the employer under the contract provision. "But the plaintiff had the further right, of which it availed itself, to put in specific language the obligation of its confidential employees as to patentable ideas which were conceived during the time they were in its employ." *Id.* at 544, 765. Accordingly, a contract provision assigning all existing and future-made inventions, made within the scope of an employee's employment, to his employer is valid and enforceable under Ohio law.[1]

13. In view of the above, in my opinion Mr. Brand's express covenant to "assign[] to Team Wendy, LLC, without additional charge, all rights, title, and interest in Improvements worldwide" is valid and enforceable. The result of this provision is that title to each portion of the above-noted Invention, made by Mr. Brand in the course of his duties with the Company, and using Company resources, was transferred to the Company as each portion was made. This means any portion of the Invention that is or may be claimed in the Utility Application which was not covered by the original assignment (Exhibit 1), also has been transferred to, and is the property of, the Company. Consequently, the Company is the assignee and owner of Mr. Brand's entire right, title and interest in the above-noted Invention, and in the Utility Application.

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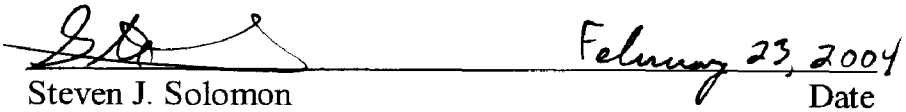
[1] In a recent case, an Ohio appeals court cited a Federal Circuit case holding an agreement to assign a future invention was not effective to transfer legal title (as opposed to equitable title) to the invention upon its creation. *Bennett et al. v. American Electric Power Service Corporation*, 2001 Ohio App. LEXIS 4357 (10th Dist. 2001) (unreported), *citing Arachnid, Inc. v. Merit Industries, Inc.*, 939 F.2d 1574, 1581 (Fed. Cir. 1991). However, citing *Filmtec Corp. v. Allied-Signal Inc.*, 939 F.2d 1568 (Fed. Cir. 1991), decided one week earlier, the *Arachnid* court distinguished an agreement to assign from a present assignment of a future invention. In *Filmtec*, the Federal Circuit held where a contract expressly grants rights in any future invention, "the transfer of title would occur by operation of law" and the inventor "would have no rights in the invention or any ensuing patent to assign...." *Id.* at 1573. Thus, federal patent law recognizes the enforceability of contract provisions assigning future inventions, and the Federal Circuit decisions are consistent with Ohio law on the subject.

14. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under 18 USC § 1001, and that such willful false statements may jeopardize the validity of the Utility Application or any patent issued thereon.



February 23, 2004

Steven J. Solomon
Attorney at Law

Date

ASSIGNMENT

WHEREAS, new and useful inventions and improvements have been made by the undersigned in PROTECTIVE FOAM WITH SKIN and are the subject of a provisional patent application prepared for filing in the United States Patent and Trademark Office, which application is further identified as Pearne & Gordon LLP Docket No. 34563.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, I hereby assign and transfer to Team Wendy, LLC located at 12819 Coit Road, Cleveland, Ohio 44108 ("Assignee"), its successors and assigns, all my right, title and interest, in the United States and throughout the world, in and to said inventions and improvements and all patent applications, patents, and patent rights therefor.

Charles M. Millikin
100 Marshall Drive
Moon Twp., PA 15108

7/26/02
Date

Hayden L. Leon III
3806 Clarendon Road
Cleveland Heights, OH 44118

9/30/02
Date

EXHIBIT 1

Jason R. Brand

9/30/02
Date

Jason R. Brand
2157 Stumpville Road
Jefferson, OH 44047

9-30-02
Date

Randy Bryan Collins
34450 Lewis Street
North Ridgeville, OH 44039

9-30-02
Date

R. Craig Virnelson
8696 Ranch Drive
Chesterland, OH 44026

AGREEMENT

In return for some form of consideration, i.e., employment, an increase in annual compensation, a lump sum payment, or other benefit over and beyond any entitlement, the receipt and sufficiency of which are hereby acknowledged, I, _____ ("Employee"), hereby agrees to the following:

1. Nondisclosure. Employee agrees at all times to hold as secret and confidential (unless disclosure is required pursuant to a court order, subpoena in a governmental proceeding, or pursuant to other process or requirement of law) any and all knowledge, technical information, business information, developments, trade secrets, know-how and confidences of Team Wendy, LLC ("Team Wendy, LLC" or "the Company") and of any third party who has entrusted its own such information to the Company, including, but not limited to, the following

(a) any formula, pattern, device, plan, drawing, blueprint, data diagram, model, specification, computer program, process or compilation of same which is, or is designed to be, used in the business of Team Wendy, LLC or results from its research and/or development activities;

(b) all business plans and/or strategies, financial information, customer and sales information, vendor information, cost information, and personnel information; and

(c) ideas, inventions, discoveries, and improvements, whether or not patentable, belonging to Team Wendy, LLC or which Employee conceives or makes, alone or with others, during or relating to his/her employment with Team Wendy, LLC, and which were made partially or wholly with the use of equipment, supplies, facilities or information of the Company, or were developed partially or wholly on the Company's time

(collectively, "Confidential Information").

Employee agrees not to use this Confidential Information for his/her own benefit or for the benefit of others (except as Company duties may require) either during or after employment with the Company without prior written consent from the Company. Employee may need to take work home, some of which may contain and/or involve Confidential Information. This information must be secured while it is off Company premises and it must be returned to the plant on a timely fashion. However, unauthorized removal of Confidential Information by employees who are not expected to take work home will lead to appropriate discipline up to and including termination of employment.

Upon Employee's separation from employment with Team Wendy, LLC, Employee agrees to return and deliver to Team Wendy, LLC all notes, notebooks, computer (laptop and others),

computer data and discs, drawings, blueprints, customer and sales information, and all other Confidential Information, together with copies, compilations, and summaries of same, which are in his/her possession or under his/her control.

2. Noncompetition. Employee agrees that during the one (1) year period commencing on the date of his/her separation from the Company's employ (the "Noncompetition Period"), he/she will not, without the prior written consent of Team Wendy, LLC, either directly or indirectly (a) solicit business from, or compete with the Company for the business of any customer of the Company or (b) operate, control, advise, be employed and/or engaged by, perform any consulting services for, invest in, or otherwise become associated with any company or other entity who or which at any time during the Noncompetition Period, is or may be in competition with, or engaged in the same or similar conduct, activities, or business as the Company, involving, but not exclusively limited to, the development, production, manufacturing, distribution, selling, and servicing of helmets for sports and/or infant medical devices similar to ours in the geographical area in which the Company maintains offices, sales agents, or could otherwise conduct business.

3. Nonsolicitation/Noninterference. Employee covenants that, during his/her employment with Team Wendy, LLC and for the period of one (1) year thereafter, he/she will not, without the prior written consent of the Company, directly or indirectly solicit or induce, attempt to solicit or induce, or aid or assist in the solicitation or inducement of any actual or prospective customer, supplier, vendor, or other business contact of the Company for the purpose of having such person, business, or entity terminate or otherwise change his/her or its business relationship with the Company. Employee understands that he/she may not so interfere with the Company's actual or prospective business relationships during this period.

Employee further agrees that he/she will not at any time, without the prior written consent of the Company, directly or indirectly solicit or induce, attempt to solicit or induce, or aid or assist in the solicitation or inducement of any employee, agent, or other representative or associate of the Company to terminate his or her relationship with the Company.

4. Disclosure and Assignment of Improvements. Employee agrees promptly to disclose in writing to the Company all ideas, inventions, discoveries, and improvements, whether or not patentable, which Employee conceives or makes, alone or with others, during or relating to his/her employment with Team Wendy, LLC and which were made partially or wholly with the use of equipment, supplies, facilities or information of the Company, or which were developed partially or wholly on Team Wendy, LLC time (collectively, "Improvements").

Employee hereby assigns to Team Wendy, LLC, without additional charge, all rights, title, and interest in Improvements worldwide. Employee agrees, at the request of the Company, to execute such applications, statements, assignments, affidavits, priority claims and other documents; to furnish information, data, and all appropriate documentation; and to take all such other action (including, without limitation, providing testimony) as the Company may from time to time reasonably require to obtain, maintain, or enforce for the Company a registration or patent in the United States or any other country covering or pertaining to any Improvement. Team Wendy, LLC shall provide Employee compensation at a rate per hour equal to Employee's basic salary at the time of separation from employment with the Company and reimburse reasonable out-of-pocket expenses

for Employee's rendering services under this paragraph should Employee be required to render services after his/her employment with the Company ends.

Employee hereby expressly agrees and acknowledges that ideas, inventions, discoveries, and improvements of the sort generally described herein conceived or made by Employee, alone or with others, within one (1) year after separation from employment with Team Wendy, LLC are likely to have been conceived in significant part during the course of employment with the Company. Accordingly, Employee agrees that such ideas, inventions, discoveries and improvements shall be included among Improvements provided for herein unless and until Employee can establish development wholly unrelated to employment with Team Wendy, LLC by clear and convincing evidence.

A list of all ideas, inventions, discoveries, and improvements made or conceived by Employee prior to his/her employment by Team Wendy, LLC to which Employee has rights, title, and/or ownership interest, together with a brief description of each including date(s) of creation, is attached as "Exhibit A" hereto and incorporated herein. It is understood that such ideas, inventions, discoveries, and improvements are excluded as Company property. IF NONE, INITIAL HERE: JB

5. Representation Regarding Prior Employment. Employee understands and recognizes that the Company respects his/her former employers' rights to prevent disclosure of confidential, proprietary and/or "trade secret" information to a third party, and to covenant with employees within the limits of the law to prohibit competition in regard to such employers' business activities.

Further, Employee represents that he/she has disclosed to the Company any employment agreements or other agreements still in effect, if any, which impose any restriction(s) on Employee, including, but not limited to, any agreements prohibiting Employee from competing, directly and/or indirectly, with any of his/her former employers in any regard. Employee represents that, except for any agreements disclosed to the Company, if any, he/she is not subject to any restrictions arising from his/her previous employment.

6. Acknowledgment. Employee specifically acknowledges that the covenants set forth in paragraphs one (1), two (2), and three (3) hereof are reasonable and necessary in view of the nature of the relationship between Employee and Team Wendy, LLC and Employee's access to the Company's Confidential Information in regard to his/her employment with the Company. Employee also acknowledges that the Company's ability to compete is based upon technology that Employee may either help develop or will come in contact with in the course of his work. Employee warrants and represents that, in the event that the restrictions set forth in these paragraphs become operative, he/she will be able to engage in other activities for the purpose of earning a livelihood. If Employee's skill and knowledge base is too narrow to be able to do this, this Agreement should not be signed. Employee acknowledges that any breach of any of these paragraphs will cause the Company immediate irreparable harm and hereby consents to injunctive relief for any actual or threatened breach. Should the Company succeed in any regard in enforcing any of the restrictive covenants set forth, the Employee agrees to pay all expenses and costs, including actual attorneys' fees, incurred by the Company in any enforcement proceeding.

Employee acknowledges that the covenants of paragraphs one (1), two (2), and three (3), hereof are of the essence of this Agreement. They shall be construed as independent of any other provision in this Agreement, and the existence of any claim or cause of action of Employee against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company of any of these covenants.

7. Reformation of Agreement; Severability. In the event that any of the paragraph(s) and/or provision(s) of this Agreement shall be found by a court of competent jurisdiction to be invalid or unenforceable as expressly written, such court shall reform such paragraph(s) and/or provision(s) to the end that Employee shall be subject to reasonable obligation(s) under the circumstances enforceable by the Company.

Should Employee be found to have been in breach of his/her noncompete and/or nonsolicitation/ noninterference obligations, the Court shall extend or revise the applicable restraint(s) so as to afford Team Wendy, LLC the full period of restrain(s) contemplated by this Agreement.

In the event that any paragraph(s) or provision(s) of this Agreement is found to be void or unenforceable to any extent for any reason, it is the agreed-upon intent of the parties hereto that all remaining paragraphs and provisions of this Agreement shall remain in full force and effect to the maximum extent permitted and that this Agreement shall be enforceable as if such void or unenforceable paragraph(s) and/or provision(s) had never been a part hereof.

8. Disclosure of this Agreement. Employee shall deliver a copy of this Agreement to each person, business, or entity with whom he/she seeks employment, partnership, or other business association at any time within one (1) year of separation from employment with the Company.

9. Entire Agreement. This Agreement supersedes and replaces any existing agreement or understanding between Employee and the Company relating to the subject matters addressed herein. Employee and the Company recognize and agree that this is the entire agreement between them concerning the topics expressly addressed herein. Any modification of this Agreement must be in writing signed by both parties.

10. Assignment. This Agreement shall inure to the benefit of, and shall be binding as to, Team Wendy, LLC, its affiliated and/or related businesses, as well as to their successors and assigns.

11. Governing Law. Employee and the Company agree that this Agreement shall be interpreted according to the laws of the State of Ohio, regardless of any conflict of law principles of any other state or jurisdiction.

EMPLOYEE:

Signature: _____ Date: _____

Printed: Jason R. Brand Date: _____

TEAM WENDY, LLC:

Signature: _____ Date: 7/16/01

Printed: Dan T. Moore Date: _____

Subject to the document relating to restrictive covenants signed by Dan Moore on 7/16/01

Copy to be given to Employee

Form Approved By: _____
Date Approved: _____

Karen/tb/karen.noncompetes.Team Wendy, LLC agreement. Doc

Addendum to Agreements signed 7/16/01 between Jason Brand, Team Wendy LLC, and Coit Road Incubator LLC

Jason Brand is concerned that good ideas might not be used by the Incubator that could be used by him, and therefore wants to have the right to negotiate for any deal or technology that the Incubator does not wish to exploit. He understands that this negotiation would be on an arms-length basis and not subject to any special favors, except that he has the right to discuss this openly with Dan T. Moore, III.

Agreed: Date: 7/16/01

Jason R. Brand
Jason Brand

Agreed: Date: 7/16/01

Dan T. Moore, III

\\Monica\my documents\KAREN\Non Compete Non Disclosures\BrandAgreementAddendum.doc