

3/8/04

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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): Lidia Weigl

2. Name and address of receiving party(ies)

Name: Bonair Products, Inc.

Internal Address:

Street Address: P. O. Box 1752

City: Englewood State: FL Zip: 34295

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other License Agreement

Execution Date: March 25, 2003

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) 10/173,140

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Charles J. Prescott, P.A.

Internal Address:

Street Address: 2033 Wood Street

Suite 115

City: Sarasota State: FL Zip: 34237

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

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Charles J. Prescott

Name of Person Signing

Signature Date 3.2.04

Total number of pages including cover sheet, attachments, and documents: 8

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

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PATENT REEL: 015048 FRAME: 0449

LICENSE AGREEMENT

THIS AGREEMENT made and entered into this 25th day of March, 2003, by and between Lidia Weigl, a German citizen, residing at 1725 Fessler Street, Englewood, Florida 34223, (hereinafter referred to as "Licensor") and Bonair Products, Inc., a Florida corporation, having its principal address at 1725 Fessler Street, Englewood, Florida 34223, (hereinafter referred to as "Licensee").

RECITALS

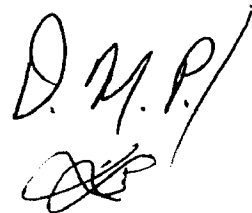
WHEREAS, Licensor is the sole and exclusive owner of all right, title and interest in and to an invention relating to an air improver and method for air improvement in spaces as disclosed and claimed in U.S. Patent No. 10/173,140, European Patent Application No. 02-026-308.3 and German Patent Application No. 102 13 889.3 and with respect to a PCT application to be filed no later than March 27, 2003 preserving the right on behalf of Licensee to file in all other designated PCT countries for the time periods provided under PCT (hereinafter referred to as the "Licensed Device");

WHEREAS, Licensee desires to acquire from Licensor an exclusive worldwide license to manufacture, use and sell the Licensed Device and Licensor is willing to grant such a license to Licensee upon the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises set forth herebelow, the parties hereto agree as follows:

1. Grant of License

Licensor hereby grants to Licensee the sole and exclusive royalty-free right to manufacture, have manufactured for it, use, sell, sublicense and to otherwise commercialize the Licensed Device in the United States of America and elsewhere throughout the world, and, in addition, grants Licensee the sole and exclusive right to make, use, sell and sublicense the subject matter of all patent applications and/or patents which have been, or will, be filed and obtained covering the Licensed Device, upon the terms and conditions hereinafter set forth.



2. Term of Agreement

This Agreement shall continue for the life of the patent or patents that may be granted on the Licensed Device and/or as long as the Licensed Device covered in this Agreement shall continue to be manufactured or sold, whichever is longer, unless terminated sooner under the provisions of this Agreement.

3. Improvements

This Licensee shall be deemed to include any future improvements made or acquired by Licensor which are reasonably related to the Licensed Device. Licensor shall promptly and fully disclose and make available under this license any and all improvements made to the Licensed Device by Licensor and that reasonably relate to the Licensed Device.

4. Sublicensing

Licensee shall have the right to grant sublicenses to others to manufacture, use and sell the Licensed Device throughout the world.

5. Period of Inactivity

The parties hereto agree, in the event that Licensee shall, for a period of two (2) years following the first date that a registration and approval is issued by the Environmental Protection Agency (E.P.A.) for a biological agent/anti-bacterial agent which is effective in killing bacteria, viruses, molds, mildews, germs, along with common household odors that are present in the main air duct of the central air-conditioning and heating systems and the various other air ducts and rooms that are connected to this central air-conditioning and heating system while simultaneously supplying clean safe fresh air into the same spaces, safe for humans, pets and food products, that is in a water base and can be combined with a fragrance and vaporized and dispensed effectively utilizing the Licensed Device, that Licensor may give notice to Licensee of its desire to terminate this Agreement for that reason. If Licensee does not, within sixty (60) days, resume the manufacture and sale of the Licensed Device, this Agreement and the license granted herein shall automatically terminate as of the end of that sixty (60) day period and then, in such event, or if this Agreement is terminated for any reason whatsoever, all rights in and to the Licensed Device, free and clear of any encumbrances, shall automatically revert to Licensor and Licensee shall return to Licensor all its right, title and

Den. H.P.
[Signature]

interest in and to the Licensed Device which do not automatically revert to Licensor under this Agreement. Licensee shall insure that all sublicenses under this Agreement include this provision.

6. Patent Markings

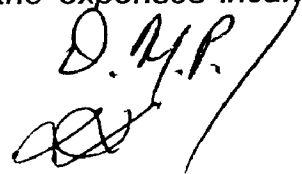
Licensee shall mark, and cause its sublicensees to mark, all embodying concepts of the Licensed Device which are manufactured, used or sold pursuant to this Agreement with either "Patent Pending" or the applicable U.S. or foreign patent numbers, or both, as appropriate.

7. Patent Prosecution and Maintenance

Licensee shall prosecute all U.S. patent applications at Licensee's expense. Licensee shall be solely responsible for payment of any maintenance fees for all patents which issue on any U.S. applications filed hereunder. Licensee shall also be solely responsible for all decisions and expenses to either file, or not to file, international or foreign patent applications corresponding to any and all U.S. patent applications hereunder. Any and all such applications shall be filed and prosecuted, and any and all patents which issue hereon, shall be maintained in the name of the Licensee.

8. Patent Infringement

Licensee shall have the right, at its own discretion, to institute and prosecute any action or proceeding against third parties for, or by reason of, any unlawful infringing of the rights granted to it by this Agreement, but if Licensee does not institute an infringement action within thirty (30) days following Licensor's written request that it do so, Licensor may institute and prosecute such an action or proceeding; provided, however, that any suit or suits shall be instituted, maintained or prosecuted solely at the cost and expense of the party bringing suit, and any and all sums collected or recovered in any such suit or suits, whether by decree, judgment, settlement, or otherwise, shall belong exclusively to the party bringing suit. Upon request of the party bringing suit, the other party shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such suits, actions or proceedings. The party bringing suit shall reimburse the other party for the expenses incurred as a result of such cooperation.

A handwritten signature in black ink, appearing to be "D. Y. P." followed by a stylized flourish.

9. Indemnification

Licensee shall be solely responsible for all claims, demands, actions, suits, damages, losses, or liabilities of third parties relating to persons or property, whether contractual or tort, arising out of, or in connection with, the manufacture, use and sale of the Licensed Device. Licensee shall indemnify and hold harmless, and hereby indemnifies and holds Licensor harmless from and with respect to any and all such claims, demands, actions, suits, damages, losses or liabilities.

10. Indemnification by Licensee

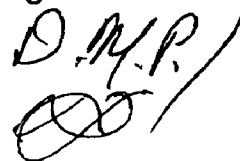
Licensee agrees to fully indemnify Licensor and to defend and hold Licensor harmless from any and all claims, demands or causes of action arising out of activities of Licensee under this Agreement. Licensee will obtain and maintain product liability insurance providing at least a portion of the total indemnification and protection for Licensor against any claims, demands or causes of action arising out of any alleged defect in the Licensed Device as manufactured, distributed or otherwise disposed of by Licensee with policy limits of at least \$100,000/\$300,000, and upon request of Licensor, will furnish proof of such insurance to Licensor.

11. Limitation of Liability

Licensor shall not be liable, whether contractual or tort, or for any consequential or incidental loss or damage of any nature arising at any time from any cause whatsoever arising out of or in connection with this Agreement. The provisions of this section shall apply notwithstanding any other provisions of this Agreement or any other agreement.

12. Loss of Patent

In the event that Licensor's patent application is rejected, and all appeal rights or time for appeal has been exhausted or expired or, if said patent application is abandoned, or is forfeited, and the time for renewal expires without renewal, or in the event said patent is declared to be void and all appeals or time for appeals have been exhausted or expired, then in such event, upon the payment of all sums remaining to be paid pursuant to the terms hereof by the Licensor to the Licensee for each Licensed Device sold, or upon which the manufacturer has commenced, as hereinabove defined, this Agreement shall be terminated and neither party shall have any further obligation or liability, one to the other.

D.M.P.


13. Confidentiality

This Agreement and the contents hereof constitute a confidential business relationship between the parties. Each party acknowledges that significant damage could be done to the other should the terms of this Agreement become public knowledge. Both parties agree that they will not reveal the terms of this agreement to any third party (excluding agents, attorneys, representatives, and others with whom they have a legal obligation to disclose) and that they will exercise reasonable precautions to insure that neither they nor their employees or agents shall allow the terms of this Agreement to become public knowledge.

14. Termination

A. *Licensor, at its option, and without prejudice to any of its rights or remedies provided for by this Agreement or by law or equity, shall have the right to terminate this Agreement by giving a written termination notice to Licensee upon the occurrence of one or more of the following events:*

(i) *If a proceeding is commenced by Licensee under any bankruptcy or insolvency law; or*

(ii) *If Licensee shall be adjudicated a debtor under the Bankruptcy Code; or*

(iii) *If a receiver of Licensee's assets is appointed by a court of competent jurisdiction; or*

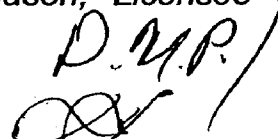
(iv) *If Licensee shall make a general assignment for the benefit of creditors of this Agreement; or*

(v) *If Licensee defaults in the performance of any obligations under this Agreement or violates any term or condition of this Agreement and fails to cure such default or violation within sixty (60) days after Licensor's written notice to Licensee to cure same.*

B. *Licensee, at its option, and without prejudice to any of its rights or remedies provided for by this agreement or by law or equity, shall have the right to terminate this Agreement by giving a written termination notice to Licensor in the event that one or more of the warranties or rights transferred to Licensee are breached or held invalid.*

15. Rights and Duties Upon Expiration or Termination

Upon the termination of this Agreement for any reason, Licensee and its

A handwritten signature in black ink, appearing to be "D. M. P." followed by a stylized flourish.

sublicensees shall immediately desist from manufacturing and causing others to manufacture the Licensed Device, but shall have ninety (90) days to sell their existing inventories of the Licensed Device.

16. Force Majeure

It is understood and agreed that, in the event that an act of the federal, state or local government, or war conditions, or fire, flood or labor trouble in the factory of Licensee or in the factory of those manufacturing parts necessary for the manufacture of the Licensed Device, or any other circumstance beyond Licensee's control, should prevent, curtail or delay the performance by Licensee of the provisions of this Agreement, then such non-performance or delay shall not be considered a breach of this Agreement and shall be excused.

17. Severability

If any provision of this Agreement is declared invalid or inoperative by any court or other governmental authority of competent jurisdiction, such finding shall not invalidate the remainder of this Agreement.

18. Relationship of Licensor and Licensee

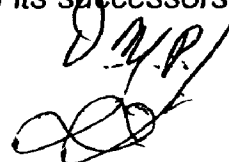
Neither party shall represent or hold itself out as an agent, legal representative, partner, subsidiary, joint venturer or employee of the other. Neither party shall have the right to bind or obligate the other, in any way, manner or thing whatsoever, nor represent that it has any right to do so.

19. Assignment

The obligations and rights under this Agreement may be delegated or assigned by either party without the prior written consent of the other; such consent shall not be unreasonably withheld. However, Licensor may not assign her ownership rights in the Licensed Device so long as Licensee is producing and selling products under this Agreement or so long as a separate buy/sell agreement between both parties hereto is in effect.

20. Parties Bound

This Agreement shall be binding upon, and inure to the benefit of, Licensor and their heirs, personal representatives and assignees and Licensee and its successors and approved assigns.

A handwritten signature in black ink, appearing to be 'D.A.P.', is written over the text of the 'Parties Bound' section.

21. Notices

Any and all notices required to be given hereunder shall be given in writing by personal delivery, or by certified or registered mail, return receipt requested, directed to the appropriate party at its last known address and shall be deemed given on the date of such personal delivery or mailing.

22. Applicable Law

This Agreement, and the rights and obligations of the parties hereto, shall be construed under, and in accordance with, the laws of the state of Florida.

23. Attorney's Fees

In the event of any dispute arising under this Agreement, or in the event of any litigation regarding this Agreement, the non-prevailing party shall pay the prevailing party, in addition to other sums otherwise due hereunder and in conjunction with resolution of any such litigation, a reasonable attorney's fee and all costs associated with resolving any such dispute or litigation or any and all appeals therefrom.

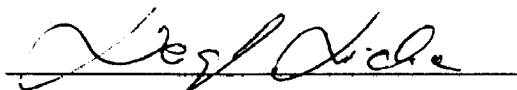
24. Entire Agreement

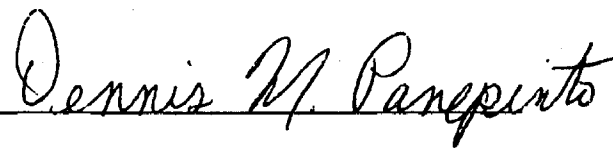
This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter and supersedes all prior negotiations, commitments, representations and undertakings of the parties with respect to said subject matter.

25. Modification

This Agreement shall not be modified except by a writing signed by Licensor and an officer of Licensee.

BONAIR PRODUCTS, INC.


Lidia Weigl

By: 
Its: V. PRESIDENT

"Licensor"

"Licensee"