

12-14-2004



Docket No.: 0294529-0000

102900725

To the Director of the U.S. Patent and Trademark Office: Please forward the documents or the new address(es) below.

12-10-04

1. Name of conveying party(ies)/Execution Date(s):

Scientific Generics Limited

Execution Date(s): May 12, 2003

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

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

Name: SPHERE Medical Limited

Street Address: Harston Mill
Harston, Cambridge CB2 5GG

Country: United Kingdom

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other: _____
- Merger
- Change of Name

4. Application or patent number(s):

A. Patent Application No.(s)

This document is being filed together with a new application

B. Patent No.(s) 5,617,852

Additional numbers attached? Yes No

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

Name: Patent Group

Internal Address: Choate, Hall & Stewart

Street Address: Exchange Place
53 State Street

City: Boston

State: Massachusetts Zip: 02109-2804

Fax Number: 617-248-4000

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 1.21(h) & 3.41).....\$ 40.00

- Authorized to be charged by credit card
- Authorized to be charged to deposit account
- Enclosed
- None required (government interest not affecting title)

8. Payment Information

- a. Credit Card Last 4 Numbers _____
Expiration Date _____
- b. Deposit Account Number _____
Authorized User Name _____

9. Signature:

Sam Pasternack, Reg. No. 29,576

Name of Person Signing


Signature

December 7, 2004

Date

Total number of pages including cover sheet, attachments, and documents: 9

Documents to be recorded (including cover sheet) should be faxed to (703) 306-5995, or mailed to:

Mail Stop Assignment Recordation Services
Director of the U.S. Patent and Trademark Office
P.O. Box 1450, Alexandria, VA 22313-1450

12/13/2004 ECOOPER 00000072 5617852

01 FC:8021

40.00 OP

3776514v1

PATENT
REEL: 016059 FRAME: 0406

OFFICE OF PUBLIC RELATIONS
2004 DEC 10 AM 9:13
FINANCE SECTION

INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT

THIS INTELLECTUAL PROPERTY ASSIGNMENT AGREEMENT ("Agreement") is made and entered into as of ~~17 MAY 2003~~ ("Effective Date"), by and between Scientific Generics Limited, a company incorporated in England under registration number 2081960 and with its registered office located at Harston Mill, Harston, Cambridge CB2 5GG (hereinafter "SGL"), and SPHERE Medical Limited, a company incorporated in England under registration number 4179507 and with its registered office located at Harston Mill, Harston, Cambridge CB2 5GG (hereinafter "SPHERE").

Either SGL or SPHERE may be referred to herein as a "Party" or together as the "Parties," as the case may require.

RECITALS

WHEREAS, SGL is the owner of the patents as listed in Attachment 1 to this Agreement.

WHEREAS, SGL has agreed to assign the aforementioned patents to the terms and conditions as set forth in this Agreement, and SPHERE is willing to take assignment of said patents and patent rights,

WHEREAS, SPHERE is willing to license back to SGL the patents and patent rights assigned to SPHERE herein,

NOW, THEREFORE, in consideration of the promises and the mutual covenants and undertakings contained herein and in this Agreement, the Parties hereto, intending to be legally bound hereby, agree as follows:

1 Definitions

- 1.1 "Agreement" means this Intellectual Property Assignment Agreement and any and all Attachments hereto.
- 1.2 "Effective Date" shall mean the date on which this Agreement has been signed by the latter of the Parties.
- 1.3 "GGAG" shall mean SGL's ultimate holding company, The Generics Group AG, whose principal place of business is at Bodmerstrasse 7, CH-8002 Zürich, Switzerland.
- 1.4 "IPR" means the assigned Patents.
- 1.5 "Patents" shall mean the patents, patent applications and invention disclosures set forth in Attachment 1, the inventions covered by and disclosed in said patents, patent applications and invention disclosures, and all future applications of such inventions including divisional, continuation and continuation in part applications.
- 1.6 "Know-How" shall mean all confidential know-how, experience, designs, methodologies, ideas, processes, and other technical information known to SGL relating to the Patents, and SGL's reports of market analysis and feasibility studies in respect of the Patents as set out in SGL's electronic directories of its Innovation and Exploitation Board, and which may be found at reference numbers 73 76 and 17.
- 1.7 "Associate Companies" shall mean a corporation, company or other business entity which either controls, is controlled by or is under common control with SGL.

2 Assignment of Intellectual Property Rights (IPR)

- 2.1 With effect from the Effective Date and subject to the terms and conditions of this Agreement, and in consideration of an additional 2.8% of the issued share capital of SPHERE being transferred to GGAG as set out in clause 4 of this Agreement, SGL hereby sells, transfers and assigns to SPHERE SGL's entire right, title and interest in and to the Patents described in Attachment 1 to this Agreement, and SPHERE accepts such assignment.
- 2.2 With effect from the Effective Date and subject to the terms and conditions of this Agreement, SGL hereby sells, transfers and assigns to SPHERE any and all Know-How existing at the Effective Date, and SPHERE accepts such assignment. Know-How transfer from SGL to SPHERE will take place by giving access to a SPHERE

employee to any and all relevant information, including but not limited to documents, software, test results and samples. If possible, SPHERE shall be entitled to hold the originals, alternatively SPHERE shall be entitled to make copies of the relevant information. SGL agrees, at SPHERE's cost, to provide reasonable assistance through its employees in providing SPHERE with such Know-How.

2.3 SGL hereby consents to any and all necessary transfer entries in the relevant patent register(s) at the relevant patent offices in favour of SPHERE with respect to the assigned Patents. SGL agrees to provide SPHERE with necessary documents as well as – if required – with signatures of SGL and / or third parties necessary for such transfer entries.

2.4 SPHERE will, at its reasonable discretion, and after fair and reasonable consideration of each proposed application from SGL, grant to SGL, for SGL itself as well as for its Associate Companies, with respect to the Patents assigned as per section 2.1 above, a perpetual, world-wide, non-exclusive and royalty-free right and license, with the right to sub-license, under the assigned Patents to use the Patents at SGL's discretion for any non-invasive applications in any area of the business activities of SGL and its Associate Companies. This license includes, but is not limited to the right to use any, some or all of the assigned Patents to invest in, make or have made, develop or have developed, import or have imported, export or have exported, sell or have sold, distribute or have distributed or otherwise dispose of products. For the avoidance of doubt, SPHERE shall be deemed to be acting reasonably in refusing to grant to SGL a license under this clause 2.4 only if the proposed application conflicts with SPHERE's business activities at the date the application is made.

2.5 Each party under this Agreement shall bear its own expenses relating to the transfer of Patents to SPHERE hereunder. SPHERE shall be responsible for the costs connected with the recordal of the patent assignment at the relevant patent offices. In addition, SPHERE shall take over in its own responsibility and at its own cost all the further handling and prosecution of the assigned Patents such as further filing, issuance, maintenance, defence and / or enforcement of the Patents including but not limited to payment of any and all official fees associated with the above mentioned actions – i.e. to the relevant patent offices - and other charges.

3 Right of First Refusal for SGL

3.1 In the event SPHERE intends to sell, transfer and assign – in whole or in part - the assigned IPR as per Section 2, including any and all further developments, modifications or enhancements thereof, SPHERE shall grant to SGL a right of first

refusal with respect to the assigned IPR in question. SGL shall thus be entitled to re-acquire the assigned IPR under the same terms and conditions as SPHERE intended to assign them to a third party at arm's length.

- 3.2 In the event SPHERE becomes insolvent or in the event SPHERE does not intend to use and exploit the assigned IPR any longer, SPHERE should inform SGL immediately and SGL shall be entitled to repurchase the respective assigned IPR for their current market value. The current market value can be determined by taking into consideration the fair and reasonable price that a third party purchaser has irrevocably and demonstrably committed to pay to SPHERE for the respective assigned IPR.
- 3.3 In case SPHERE decides to cancel and / or abandon a Patent or not to pursue the further development of the underlying technology any longer, SPHERE shall give prompt written notice to SGL prior to taking any further action with respect to the cancellation / abandonment of the Patent in question, and SGL shall be entitled to repurchase the respective assigned IPR for their current market value. The current market value can be determined by taking into consideration the fair and reasonable price that a third party purchaser has irrevocably and demonstrably committed to pay to SPHERE for the respective assigned IPR.
- 3.4 SGL has to execute its right of first refusal / its right of repurchase in writing within one (1) month following the receipt of SPHERE's written notification by SGL, stating the purchase conditions being agreed upon by a third party purchaser.

4 Compensation

As compensation for the transfer and assignment of Patents and licenses under third party patents as per Article 2 SPHERE agrees to transfer to GGAG the amount of 16,621 shares in SPHERE with a nominal value of £ 166.21 at a price of £2.09 per share.

5 Covenant Not to Sue

- 5.1 To the fullest extent permitted by applicable law, SGL agrees not to attack validity of the assigned Patents.

6 Limitation of Liability, Indemnification

- 6.1 SGL represents that it is entitled to assign the rights set forth in Section 2 to SPHERE.

- 6.2** SGL declares to the best of its knowledge that it does not know of any existing third party rights with respect to the assigned IPR.
- 6.3** Except as otherwise provided in this Agreement or in the sections 6.1 and 6.2 above, assigned IPR is provided "as is" without any representation or warranty, and SGL disclaims all express, implied, statutory, or other warranties and conditions relating thereto, including, without limitation, the implied warranties of title, non-infringement, merchantability, and/or fitness for a particular use. SGL does not undertake any warranty as to the validity or the scope of the assigned IPR.
- 6.4** SGL shall not be liable to SPHERE for any indirect, incidental, consequential, punitive or special damages, even if SPHERE has been advised of the possibility of such damages, however those damages may have arisen.

7 Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; provided, however, that no Party hereto may assign its rights or delegate its obligations under this Agreement without the express prior written consent of each other Party hereto, except that either party under this Agreement may assign its rights and obligations under this Agreement to any entity that succeeds to substantially all of its assets and liabilities to which this Agreement relates. In connection with an assignment pursuant to the preceding sentence, the parties under this Agreement shall notify each other in writing of such assignment as soon as practicable.

8 Choice of law

This Agreement shall be governed by English law and the Parties hereby submit to the exclusive jurisdiction of the courts of England and Wales.

9 General

- 9.1** This Agreement may be executed in any number of counterparts, each of which shall be an original considered one and the same agreement. The Agreement shall come into effect on the Effective Date.
- 9.2** This Agreement (including agreements incorporated herein) and the Schedules and Exhibits hereto and thereto contain the entire agreement between the Parties with respect to the subject matter hereof, and there are no agreements, understandings, representations or warranties between the Parties other than those set forth or referred to herein or therein.

- 9.3 This Agreement may not be changed or modified in any manner, except by an instrument in writing signed on behalf of each of the Parties hereto by their duly authorised representatives.
- 9.4 Each Party shall co-operate and take such action as may be reasonably requested by another Party in order to carry out the provisions and purposes of this Agreement and the transactions contemplated hereby.
- 9.5 All notices or other communications required or permitted hereunder with regard to the interpretation, validity etc. of the Agreement shall be in writing and shall be given by certified mail addressed, if to SPHERE:

Sphere Medical Limited
Harston Mill, Harston Cambridge CB2 5GG, UK

and, if to SGL:

Group Legal Department, Scientific Generics Limited
Harston Mill, Harston, Cambridge CB2 5GG

or to such other address that the parties might identify to each other for this purpose and with reference to this Agreement.

- 9.6 The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

Attachment 1: Patent

US granted patent US5617852 - Laser Doppler patent entitled Method and Apparatus for Non-Invasively determining blood analytes

Disposable disclosure : Single use disposable blood gas monitoring device: (formerly cover no 1858801, application no 0117516.5, but refiled as) cover no 1880501, application number 0216738.5.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed on their behalf as of the date first written above.

Scientific Generics Limited

By:  _____

SPHERE Medical Limited

By:  _____