

7/1/05

07-06-2005

Form PTO-1595 (Rev. 03/05)
OMB No. 0651-0027 (exp. 6/30/2005)



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

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PATENTS ONLY

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

1. Name of conveying party(ies)
KFH DESIGN LIMITED

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

2. Name and address of receiving party(ies)
 Name: ELLIOT SCIENTIFIC LIMITED
 Internal Address: 3 ALLIED BUSINESS CENTRE
 Street Address: COLDHARBOUR LAKE
 City: HARPENDEN
 State: HERTFORDSHIRE
 Country: UNITED KINGDOM Zip: AL5 4UT

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

3. Nature of conveyance/Execution Date(s):
 Execution Date(s) 20 JANUARY 2005

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

4. Application or patent number(s): This document is being filed together with a new application.

A. Patent Application No.(s)
US 6757985 B2

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: CHRISTOPHER PARR
 Internal Address: KSB LAW
 Street Address: ELAN HOUSE, S-11 FETTER LANE
 City: LONDON
 State: UNITED KINGDOM Zip: ECL4 1GD
 Phone Number: 00 44 207 822 7500
 Fax Number: 00 44 207 822 8906
 Email Address: _____

6. Total number of applications and patents involved: ONE

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40

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: 20.06.05
 Signature Date
CHRISTOPHER M. PARR
 Name of Person Signing

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

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 USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

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PATENT
REEL: 016722 FRAME: 0984

DEED OF PATENT AND KNOW-HOW ASSIGNMENT

THIS ASSIGNMENT ("Assignment") is made the 20th day of JANUARY 2005
BETWEEN:

(1) **KFH DESIGN LTD**, a company incorporated in England and Wales with company number 3520034 whose registered office is at Torrelea House, 33 The Avenue, Yeovil, Somerset, BA214BN, ("Assignor"); and

(2) **ELLIOT SCIENTIFIC LIMITED**, a company incorporated in England and Wales with company number 2460146 whose registered office is at 3 Allied Business Centre, Coldharbour Lane, Harpenden, Herts. AL5 4UT ("Assignee").

BACKGROUND

(A) The Assignor is the proprietor of (i) the patents listed in the schedule to this Assignment ("Patents") and (ii) the associated know-how, being (inter alia) discoveries, data, drawings, designs, models, formulae, techniques, methods, processes, practices, conceptions, experiences and other knowledge and information.

(B) The Assignor has agreed to assign the Patents and associated know-how to the Assignee.

AGREED TERMS

1. ASSIGNMENT

The Assignor hereby assigns to the Assignee with full title guarantee the full and exclusive benefit and ownership of the Patents and associated know-how including:

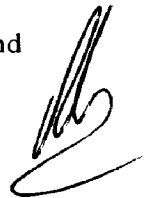
- (a) the right to recover and take all such proceedings as may be necessary for the recovery of damages or otherwise in respect of all infringements of any of the Patents and associated know-how, whether committed before or after the date of this agreement;
- (b) the right to apply for, prosecute and obtain patent or similar protection throughout the world in respect of the inventions claimed in the Patents.

2. FURTHER ASSURANCE

The Assignor hereby covenants with the Assignee that the Assignor shall, at the expense of the Assignee, execute, sign and do all such instruments, applications, documents, acts and things as may reasonably be required by the Assignee to enable the Assignee or its nominee to enjoy the full benefit of the rights hereby assigned.

3. GOVERNING LAW AND JURISDICTION

This assignment shall be governed by and interpreted in accordance with the law of England and the parties hereby submit to the exclusive jurisdiction of the English courts.



THE SCHEDULE

- United States Patent No: US 6, 757, 985 B2, Date of patent July 6th, 2004
- UK Patent Application: GB 2 388 064 A, Date of Filing May 1st, 2002

EXECUTED and delivered as a Deed by
KFH DESIGN LTD acting by two Directors
or one Director and the Secretary

Signature of Director: *KFH Hall*

Name of Director: KENNETH FRANK HALL

Signature of Director/Secretary:

Ann H Hall

Name of Director/Secretary:

ANN HILARY HALL

EXECUTED and delivered as a Deed by
ELLIOT SCIENTIFIC LIMITED acting by
two Directors or one Director and the Secretary

Signature of Director: *[Signature]*

Name of Director: MICHAEL S. ELLIOT

Signature of Director/Secretary:

[Signature]

Name of Director/Secretary:

DAVID J WELSH.

KFH DESIGN LTD

&

ELLIOT SCIENTIFIC LIMITED

**PATENT AND KNOW-HOW ASSIGNMENT AGREEMENT
WITH ANCILARY RIGHTS, TECHNICAL ASSISTANCE
AND NON-COMPETE**

KSB Law
Elan House
5-11 Fetter Lane
London
EC4A 1QD



THIS AGREEMENT ("Agreement) is made the 20th day of JANUARY 2005 ("Effective Date") **BETWEEN**

- (1) **KFH DESIGN LTD**, a company incorporated in England and Wales with company number 3520034 whose registered office is at Torrelea House, 33 The Avenue, Yeovil, Somerset, BA214BN, ("Inventor"); and
- (2) **ELLIOT SCIENTIFIC LIMITED**, a company incorporated in England and Wales with company number 2460146 whose registered office is at 3 Allied Business Centre, Coldharbour Lane, Harpenden, Herts. AL5 4UT ("Manufacturer").

Inventor and Manufacturer together shall be "Parties" and either of them, as the context requires, shall be a "Party".


WHEREAS:

- (A) Inventor is the beneficial owner of the entire right, title and interest in and to the: (i) discoveries, data, drawings, designs, models, formulae, techniques, methods, processes, practices, conceptions, experiences and other knowledge and information ("Know-How") relating to the manufacture of the products listed in the **First Schedule** ("Products"); and, (ii) patents relating thereto listed in the **Second Schedule** ("Patents"); and
- (B) Inventor wishes to assign the Know-How and Patents to Manufacturer so that, subject to this Agreement, Manufacturer can manufacture, sell and otherwise dispose of, and trade with, the Products throughout the world; and
- (C) Manufacturer desires to take the aforementioned assignment and also wishes to retain the services of Inventor as a consultant in connection with the Know-How, Patents and Products; and,
- (D) Manufacturer wishes to restrict Inventor's ability to provide similar services to third parties who are, or may wish to be, in competition with Manufacturer and the Products.

NOW in consideration of the promises, payment and the mutual covenants herein contained **THE PARTIES AGREE:**

1. ASSIGNMENT

- 1.1 Subject to and in accordance with the terms of this Agreement, Inventor assigns the Patents and the Know-How to Manufacturer absolutely. Such assignment shall be effected by the Parties entering, on the Effective Date, the Deed of Patent and Know-How Assignment in the form attached hereto as **Appendix 1**.



- 1.2 To complete the assignment made under this Agreement, Inventor and Manufacturer shall, as and when Manufacturer requires and at Manufacturer's cost and expense, complete such registration, transfer and other documents and acts as may be necessary, in the opinion of Manufacturer, for that purpose.
- 1.3 In consideration of the assignment made under this Agreement, Manufacturer shall pay Inventor £4,300.00 comprising:
- 1.3.1 £1,000 for the Multiaxis positioners; and,
 - 1.3.2 £300 for the Small Stepper Actuator,
- all as more specifically defined in the **First Schedule**; and,
- 1.3.3 a further £1,500 for each of the UK and US Patents (i.e. £3,000 in all).
- 1.4 As a result of such Patent and Know-How assignment and from the Effective Date, Manufacturer, in its own name, shall be free to:
- a) Use and exploit the Know-How and Patents; and
 - b) Manufacture, or have manufactured, the Products; and
 - c) Distribute and sell, or otherwise dispose of, the Products; and
 - d) Grant such sub-licences for the use of the Patents and the Know-How,
- as, in each case, Manufacturer deems appropriate.

2. DISCLOSURES & FURTHER INVENTIONS BY INVENTOR

- 2.1 As soon as reasonably practicable after the Effective Date, Inventor shall, at no cost to Manufacturer, other than as provided under this Agreement, disclose to Manufacturer all the Know-How. Manufacturer may record the Know-How in permanent form so as to preserve it for future use.
- 2.2 Promptly after they have been made, Inventor shall disclose to Manufacturer all improvements to Know-How made by Inventor during the course of providing Technical Assistance (defined below). Once made, such improvements shall form part of the Know-How and shall become and be the property of Manufacturer without additional or further payment under this Agreement.
- 2.3 With the agreement of Manufacturer and after mutual agreement on any commercial issues, such as revised Commission (defined below) rates or amounts, any new products which originate with Inventor may be added to the **First Schedule** and, at that point, become "Products" subject to this Agreement.

3. TECHNICAL ASSISTANCE

- 3.1 During the five (5) years commencing on the Effective Date ("Period"), Inventor shall provide to Manufacturer technical assistance services in connection with the design, manufacture and sale of Products and the further development of Know-How ("Technical Assistance"). Technical Assistance shall not involve support for



sub-licensees of the Patents or any travel unless, in each case, it is specifically agreed between Manufacturer and Inventor.

- 3.2 Manufacturer, at his expense, shall supply and maintain one set of all drawings and other documents and any other information or equipment for the exclusive use of Inventor as necessary to enable Inventor to carry out Technical Assistance.
- 3.3 Manufacturer shall pay Inventor for Technical Assistance in accordance with the **Third Schedule** with payments for Technical Assistance being made in the same manner as Commission.
- 3.4 All expenses incurred by Inventor in connection with Technical Assistance and approved beforehand by Manufacturer shall be paid for by Manufacturer on receipt of an invoice detailing the expenses submitted to Manufacturer by Inventor. Receipts shall be provided to the extent possible.

4. REPRESENTATIONS AND WARRANTIES

- 4.1 On the Effective Date, but immediately before the transfer effected by this Agreement:
- a) Inventor will be the sole, unencumbered owner of Know-How and Patents;
 - b) Patents are registered in the name of Inventor;
 - c) Inventor is not aware of any rights of any third party which would, or might, render the manufacture, sale or distribution of Products or the use of the Know-How, Patents, or other intellectual property rights in respect thereof, unlawful or subject to any claim or injunction;
 - d) Inventor has not entered any agreement which will or might give any third party any right, power or authority to challenge the transfer effected by this Agreement; and,
 - e) Inventor and Manufacturer each have full right, title and authority to enter this Agreement and perform it according to its terms.

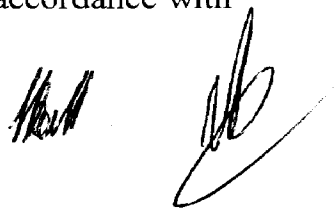
5. PAYMENT BY MANUFACTURER

- 5.1 In consideration of the Patent and Know-How assignments granted to Manufacturer under this Agreement and in addition to the payment provided for in Article 1.3, Manufacturer shall pay Inventor commission at the rate stated, and on the basis shown, in the **Third Schedule** ("Commission").
- 5.2 Within the thirty (30) days after the end of the first twelve (12) months starting from the Effective Date ("Initial Period"); and, then within the thirty (30) days after the end of each subsequent twelve (12) month period during the term of this Agreement, Manufacturer shall submit to Inventor a written estimate and brief details of its expected Income (as defined in the Third Schedule) from the exploitation and use of Patents, Know-How and Products in the next-following twelve (12) month period ("Estimate").

- 5.3 The Parties shall try to agree the Estimate within the thirty (30) days after its submission to Inventor. If the Estimate is not agreed, then Manufacturer's version will apply. In any event, the Estimate shall not be binding on the Parties in any way.
- 5.4 The minimum amount of Income upon which Commission shall be paid to Inventor is 60% of the Income foreseen in the then-current Estimate ("Minimum Amount").
- 5.5 If, by the end of any twelve (12) month period, except the Initial Period, the Income on which Commission is payable is less than the Minimum Amount for that year, the Commission paid to Inventor in such period shall be the Minimum Amount, and the Commission payment for the last quarter of the relevant twelve (12) month period shall be adjusted accordingly. In the Initial Period, Commission shall be paid on actual Income from the exploitation and use of Patents, Know-How and Products in the Initial Period and that shall be calculated, assessed and paid by Manufacturer within the ninety (90) days after the end of the Initial Period.

6. PAYMENT ARRANGEMENTS

- 6.1 Commission shall be paid without deduction (save only for those deductions Manufacturer is obliged to make by law) in Sterling to a London bank account nominated by Inventor, or by other arrangements agreed between Inventor and Manufacturer. However, if, at any time during the term of this Agreement, Manufacturer is prevented by any statute, decree, law or regulation in any territory or country from paying any amounts due to Inventor under this Agreement in Sterling in London; or, is unable to obtain any necessary consent for such payments, Inventor may require that such amounts be paid by Manufacturer to a third party in the relevant territory or country or, with the consent, if required, of such Government, to such third party in any other part of the world as, in each case, Inventor shall in consultation with Manufacturer nominate.
- 6.2 Manufacturer shall send to Inventor by the forty-fifth (45th) day after the end of each three month period, starting from the end of the month immediately following the end of the month in which falls the Effective Date a report ("Report"):
- a) Of all Income derived from the Patents during that three month period; and
 - b) Of all sales of the Products concluded during that three month period; and
 - c) Showing:
 - (i) The Product prices invoiced by Manufacturer during that three month period;
 - (ii) Details of any amounts to be deducted there-from in accordance with the **Third Schedule**; and,

Two handwritten signatures in black ink, one appearing to be 'H. H.' and the other a more stylized signature.

- (iii) The amount of Commission payable on such prices invoiced; and
- d) Showing money received from Patent and Know-How sub-licensing fees during that three month period.

6.3 With the Report, Manufacturer shall deliver payment in accordance with this Agreement of the amount of the Commission then due and payable to Inventor.

7. MANUFACTURER'S RECORDS AND INSPECTION

7.1 Manufacturer shall keep, at its usual place of business, all books of account and other records as may be necessary, reasonably to enable the sums payable to Inventor hereunder to be ascertained and verified. Manufacturer shall produce such books and records to Inventor's accountants or agents during normal business hours provided that at least five (5) working days prior, written notice has been given.

7.2 Such accountants and agents may make copies of, and take extracts from, such books and records, but solely for the purposes of their review under this Article 7.

8. INTELLECTUAL PROPERTY RIGHTS

8.1 At the request and cost of Manufacturer, Inventor shall take part in, or give assistance in respect of, any legal proceedings and execute any documents and do any act or thing reasonably necessary, in Manufacturer's opinion to protect Patents, Know-How, and Manufacturer's other intellectual and industrial property rights in connection with this Agreement. However, unless Inventor expressly agrees otherwise, Inventor shall not be required to travel in the course of acting under this Article 8.1.

9. THIRD PARTY RESTRICTION

9.1 If a Party enters an agreement with a third party which restricts disclosure of information belonging to such third party to the other Party, then the first Party will endeavour to obtain consent from the third party to disclosure of such information to such other Party.

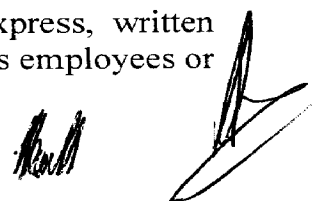
10. MANUFACTURER'S OBLIGATIONS

10.1 Manufacturer shall use reasonable efforts to promote and extend the use of Patents by granting sub-licences; and, shall use reasonable efforts to promote and extend the use and sale of the Products. However, Manufacturer shall not be required to use any efforts that, in its opinion, will or might be detrimental to its wider business interests.

10.2 Manufacturer shall develop literature to further publicise the Products and will consult Inventor on the form and content thereof.

11. INVENTOR'S ACTIVITIES LIMITATION

11.1 For the term of this Agreement, except with Manufacturer's express, written consent and approval, Inventor will not, itself or by the actions of its employees or

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agents, manufacture any Products; or, supply Products or Know-How to any distributors, re-sellers or users; or do, or omit to be done, anything whatsoever that would be detrimental to the interests of Manufacturer.

11.2 Without prejudice to Article 11.1, during the term of this Agreement, Inventor shall not, directly or indirectly, assist any third party to compete with Manufacturer in respect of Products.

11.3 In recognition of the limitation imposed on Inventor by Manufacturer under this Article 11, Manufacturer shall pay Inventor a retaining fee as described in the **Third Schedule**. Such fee payments are to be made in the same manner as for Commission payments.

12 RENEWAL FEES

12.1 Manufacturer shall pay all renewal fees and other costs to ensure that Patents do not lapse. If Manufacturer, through negligence, allows any of the Patents to lapse during the term of this Agreement, then Manufacturer shall pay Inventor compensation in an amount to be agreed, in good faith between the Parties.

13 ENTIRE AGREEMENT OF PARTIES

13.1 This Agreement embodies the entire agreement and understanding between the Parties as to the subject matter hereof and supersedes all previous agreements and understandings between the Parties with respect thereto.

13.2 This Agreement may not be modified except by an instrument in writing signed by the duly authorised representatives of the Parties.

14 NOTICES

14.1 Any notice required or authorised hereunder shall be in writing and may be served by post using a service that provides proof of delivery and addressed to the registered office of the Party to whom it is sent and shall be deemed to have been served seven days after it shall have been posted. Alternatively notice may be served by facsimile and proof of service shall be the message confirmation slip showing the correct distant station identity.

15 TERM AND TERMINATION

15.1 This Agreement shall commence on the Effective Date and shall continue until terminated pursuant to this Article 15, or for a period of ten (10) years, whichever is the earlier.

15.2 If;
(a) During the first twelve (12) months of this Agreement, Inventor cannot (or indicates that it will not) provide Technical Assistance to such an extent that Manufacturer cannot, reasonably, understand the Products and/or how to manufacture them; or



(b) If, at any time, through no negligence of Manufacturer, Patents cease to be available to Manufacturer, or Products cease to be marketable in any material part of their normal market at that time,

then Manufacturer may give notice to Inventor that, unless the relevant situation is rectified to Manufacturer's reasonable satisfaction within a period which need not exceed 30 days from the date of the notice, then this Agreement will terminate with effect from the end of the period given.

15.3 If this Agreement is terminated under Article 15.2 and if, at the time of such termination, Inventor is not in breach of this Agreement, then Manufacturer shall pay compensation to Inventor. The amount of such compensation shall be agreed, in good faith, between the Parties at the time of the termination.

15.4 Payment made under Article 15.3 shall be in full and final settlement of any and all claims that Inventor has or may have against Manufacturer in connection with this Agreement at the time of such termination other than claims already made by Inventor against Manufacturer in connection with this Agreement and claims arising in connection with this Agreement and relating to personal injury or death caused to Inventor by Manufacturer's negligence.

16 ARTICLE HEADINGS


16.1 Article headings are inserted in this Agreement for convenience of reference only and shall not effect the construction hereof in any way.

17 SCHEDULES

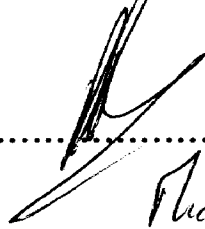
17.1 The Schedules form part of this Agreement.

AS WITNESS whereof the parties hereto acting by their duly authorised agents have hereunder set their hands this day and year before written.

For KFH DESIGN LIMITED


.....
KENNETH FRANK HALL

For ELLIOT SCIENTIFIC LIMITED


.....
Richard S. Elliot

FIRST SCHEDULE

Products

- Multiaxis positioners
- Small Stepper Actuator (Infinitesima Actuator)

SECOND SCHEDULE

Patents

- United States Patent No: US 6, 757, 985 B2; Date of Patent: July 6th, 2004
- United Kingdom Patent Application: GB 2 388 064 A, Date of Filing May 1st,
2005 ~~2002~~

THIRD SCHEDULE

Technical Assistance Payment

(1) Quarterly Payments

Initial Period (i.e first twelve months from Effective Date) £1,250.00 per quarter

Second twelve months £500.00 per quarter

Each subsequent twelve month period to the end of the fifth twelve month period after the Effective Date £250.00 per quarter

(2) Additional Payments

Three (3) per cent of the amount upon which Commission is paid in the corresponding twelve month period.

Such additional payments shall be made quarterly in arrears and shall be subject to the same Minimum Amount provisions as apply to Commission.

Commission Payment

(1) "Income"

Net Invoice Amount to customers for Products manufactured by or for Manufacturer and sold directly by Manufacturer where Net Invoice Amount means the total invoice amount minus:

- (i) any trade discount or allowance given to that customer in respect of such Products;
- (ii) cost of insurance and freight;
- (iii) interest added to cover credit terms;
- (iv) commissions paid or allowances given to third party agents and distributors;
- (v) VAT and other sales or delivery taxes.

Commission shall be paid at the rate of 5% per annum on all Income and shall be subject to the Minimum Amount provisions of Article 5.

(2) Patent Commission

Commission shall be paid at the rate of 10% per annum on the total annual value of fees actually received by Manufacturer from third party licensees of Patents. Such total annual value of fees shall exclude VAT and any other taxes (excluding tax on profits) paid by Manufacturer or deducted from such fees at source.

Retaining Fee

For continued compliance with Article 11, Manufacturer shall pay to Inventor a sum equal to 2% of Income as defined above.

Such payment shall be made quarterly in arrears and shall be subject to the same Minimum Amount provision as apply to Commission.

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