

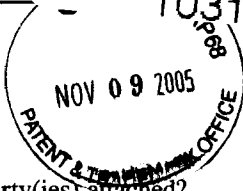
11-9-05
Form-PTO-1595
1-31-92

TRAN

11-15-2005



103119095



RDATION

Atty. Docket: 00169.888777.

To the Director, U.S. Patent and

1. Name of conveying party(ies):

Injet Digital Aerosols Limited

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: August 22, 2003 and August 27, 2003

Name: CANON KABUSHIKI KAISHA

Foreign Address: 3-30-2, Shimomaruko, Ohta-ku

Tokyo, Japan

Domestic Address:

City: State ZIP

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 or Patent Number: See Attachment I
Filing Date: See Attachment I

B. Title of Invention:

Additional numbers attached?

☒ Yes

☐ No

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

Name: Fitzpatrick, Cella, Harper & Scinto

30 Rockefeller Plaza

New York, New York 10112-3800

Telephone No.: (212) 218-2100

Facsimile No.: (212) 218-2200

6. Number of applications and patents involved:

Eight (8)

7. Total fee (37 CFR 3.41): \$ 320.00

☒ Enclosed

☐ Authorized to be charged to deposit account

8. Deposit account number (for deficiency or excess)

06-1205

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

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and the attached is the original document.
11/15/2005 LMUELLER 00000022 00578707
01 FC:0021 020.00 OP

Frank A. DeLucia (Reg. No. 42,476)
Name of Person Signing

Signature

November 7, 2005
Date

Total number of pages including cover sheet, attachments, and documents: 61

**ATTACHMENT I
U.S. PATENT**

U.S. Application Number	Filing Date	U.S. Patent Number
08/578,707	12/28/95	5,894,841
09/256,144	02/24/99	6,196,218
09/513,279	02/24/00	6,443,146
09/614,196	07/12/00	6,629,524
09/595,722	06/16/00	6,637,430
10/062,174	01/31/02	
10/153,422	05/21/02	
10/080,504	02/22/02	

NY_MAIN 525190v1

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("AGREEMENT"), made as of April 1, 2003, by and between Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET") and Canon Inc., a Japanese corporation registered in the name of Canon Kabushiki Kaisha under the laws of Japan and having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON"), each sometimes referred to hereinafter as a "PARTY" and jointly as the "PARTIES" to this AGREEMENT,

WITNESSETH:

WHEREAS, INJET contemplates to acquire certain patents and patent applications relating to certain micro droplet inhaler products and pharmaceuticals therefor from Mr. Robert Martin Voges, an individual having mail address at P O Box 921, Paradise Point QLD 4216, Australia and Voges Innovation Pty Limited, an Australian corporation having its principal place of business at Level 21, 300 Queen Street, Brisbane QLD 4000, Australia (collectively "VOGES"), Ponwell Enterprises Ltd, a corporation of the British Virgin Islands having its principal place of business at The Lake Building, 1st Floor Wickhams Cay, Road Town, Tortola, British Virgin Islands ("PONWELL") and Vapotronics, Inc., a Delaware corporation having its principal place of business at Suite 330, 12555 High Bluff Drive, San Diego, California 92130, U.S.A. ("VAPOTRONICS"), wherein VAPOTRONICS is a parent company of PONWELL;

WHEREAS, CANON desires to be granted by INJET an exclusive license under such patents and patent applications on terms and conditions as set forth herein; and

WHEREAS, INJET is willing to grant such exclusive license to CANON upon its acquisition of such patents and patent applications from VOGES, PONWELL and VAPOTRONICS.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, the PARTIES agree as follows:

ARTICLE 1. DEFINITIONS

1.1 The term "LICENSED PATENTS" as used herein shall mean all patents (the term "patent" shall include utility model in this AGREEMENT) throughout the world issued on or registering from applications for patent throughout the world filed, controlled or owned by VOGES, PONWELL and/or VAPOTRONICS or under which as of the DATE OF ACQUISITION VOGES, PONWELL and/or VAPOTRONICS have the right to grant licenses as provided herein and having effective filing dates or priority dates on or before the DATE OF ACQUISITION as well as such patent applications. The LICENSED PATENTS shall include all divisions, continuations and continuations-in-part of any of the said applications for patent, all applications for patent in foreign countries corresponding to the said applications for patent and their divisions, continuations and continuations-in-part, all patents issued on or registering from the foregoing applications for patent, and re-examinations and reissues of the foregoing patents. The LICENSED PATENTS shall specifically include without limitation, patents and patent applications listed in Exhibit A attached hereto and any and all of their corresponding foreign patents and patent applications.

1.2 The term "PATENTED COUNTRY" with respect to a LICENSED PRODUCT as used herein shall mean any country where there exists at least one issued or registered and unexpired LICENSED PATENT having at least one valid and enforceable claim covering such LICENSED PRODUCT.

1.3 The term "LICENSED PRODUCTS" as used herein shall mean individually and collectively DDS PRODUCTS, CARTRIDGE and DDS DRUGS; and any parts, units, components and software for or of any of the foregoing.

1.4 The term "DDS PRODUCTS" as used herein shall mean all products which comprise (i) a container for containing the DDS DRUG to be inhaled, (ii) an ejection

device coupled to the container and having at least one (1) nozzle and at least one (1) transducer element for creating ejection of fine droplets of the DDS DRUG through the nozzle in response to supplied signals, , (iii) an actuation circuitry for actuating the ejection device by producing the signals, and (iv) an inhaler housing for accommodating the container, ejection device and actuation circuitry, the housing having an opening, through which fine droplets of the DDS DRUG can be inhaled. For the purpose of this AGREEMENT, such container and ejection device in the form of a cartridge shall be referred to as "CARTRIDGE".

1.5 The term "DDS DRUGS" as used herein shall mean any and all flowable liquid drugs which are prescribed suitable for the DDS PRODUCTS.

1.6 The term "SUBSIDIARY" as used herein shall mean any company as to which an entity:

- (a) owns or controls directly or indirectly at least fifty percent (50%) of shares of the capital stock then issued and outstanding with the right to vote at general meetings; or
- (b) has the right to elect a majority of members of the board of directors or any equivalent management body;

but such company shall be deemed to be a SUBSIDIARY only so long as such ownership, control or right exists.

1.7 The term "CANON's DESIGNATED SUBSIDIARY" as used herein shall mean any CANON's SUBSIDIARY designated by CANON and notified in writing to INJET pursuant to Section 2.2.

1.8 The term "SUBLICENSEES" as used herein shall mean any third party other than CANON's SUBSIDIARY, which is granted sublicense by CANON or CANON's DESIGNATED SUBSIDIARY under any one or more of the LICENSED PATENTS pursuant to Sections 2.1 and 2.2 hereof.

1.9 The term "SALES PRICE" of a LICENSED PRODUCT as used herein shall

mean an amount of the net sales price (calculated in accordance with the generally accepted accounting principle) (in U.S. Dollars, in Japanese Yen or in whatsoever currency) charged by CANON or CANON's DESIGNATED SUBSIDIARY to their direct distributors, dealers or customers (including, without limitation, any CANON's SUBSIDIARY as distributor or dealer) for a LICENSED PRODUCT to be marketed in any PATENTED COUNTRY. In determining the net sales price the following items may be deducted therefrom: prices of accessories, cases, batteries, connecting cables, straps and other auxiliary items; packaging costs; freight fees; insurance fees; taxes; and discounts offered to customers.

1.10 The term "EFFECTIVE DATE" as used herein shall mean the date on which CANON shall have declared a closing of the licensing pursuant to Section 9.1 hereof.

1.11 The term "DATE OF ACQUISITION" as used herein shall mean the date on which INJET shall have acquired from VOGES, PONWELL and/or VAPOTRONICS all the right, title, ownership and interest in or to or of all of the patents and patent applications which qualify as the LICENSED PATENTS.

ARTICLE 2. GRANT OF PATENT LICENSE, PATENT NON-ASSERTION AND
RELEASE OF PAST CONDUCT

2.1 INJET shall, on and after the EFFECTIVE DATE, grant to CANON under the LICENSED PATENTS an irrevocable (subject to Section 13.5), royalty-bearing, worldwide, sole and exclusive license, with the right to grant sublicenses to others, to import, make, have made, use, sell, offer for sale, lease, and otherwise dispose of any and all LICENSED PRODUCTS and to practice any method or process involved in the manufacture, use or sale thereof. CANON's rights to grant sublicenses to SUBLICENSEES hereunder shall include the rights to grant such SUBLICENSEES the right to grant further sublicenses to any third parties with respect to the DDS DRUGS.

2.2 CANON shall have the right to extend its rights and licenses (but

non-exclusive) granted in Section 2.1 above to any CANON's DESIGNATED SUBSIDIARY. Within thirty (30) calendar days from its designation CANON shall notify in writing to INJET of the name of the CANON's DESIGNATED SUBSIDIARY.

2.3 INJET agrees and warrants that no rights under the LICENSED PATENTS, including the right to import, make, have made, use, sell, offer for sale, lease, and otherwise dispose of any and all LICENSED PRODUCTS and the right to grant any licenses to others with respect to the LICENSED PRODUCTS, shall be reserved to INJET and its SUBSIDIARIES, VAPOTRONICS, its SUBSIDIARIES, PONWELL, VOGES, Psiron Limited, an Australian corporation having its principal place of business at Unit 8, 10 Anella Avenue, Castle Hill NSW 2154, Australia ("PSIRON"), and Australian Technology Innovation Fund Limited, an Australian corporation having its principal place of business at 73 Airlie Road, Pullenvale Queensland 4069, Australia ("ATIF").

2.4 CANON and CANON's DESIGNATED SUBSIDIARY may determine, in their sole discretion and without having the approval or consent of INJET, PSIRON or ATIF, to grant or not to grant sublicenses under the LICENSED PATENTS as permitted in Sections 2.1 and 2.2 above. Further, CANON and CANON's DESIGNATED SUBSIDIARY may determine, in their sole discretion and without having the approval or consent of INJET, PSIRON or ATIF, the terms and conditions of any sublicense, including the sublicense fees, royalty rates and other financial terms.

2.5 As to any and all LICENSED PRODUCTS which are manufactured, in whole or in part, by or for CANON, CANON's DESIGNATED SUBSIDIARY or the SUBLICENSEES anywhere in the world, or which are imported, used, sold, offered for sale, leased or otherwise disposed of, in whole or in part, by CANON, CANON's DESIGNATED SUBSIDIARY or the SUBLICENSEES anywhere in the world, INJET and its SUBSIDIARIES hereby agree, effective as of the EFFECTIVE DATE, not to assert forever against CANON, CANON's DESIGNATED SUBSIDIARY and the SUBLICENSEES, each of their distributors, dealers, agents and customers any and all patents and patent applications filed by INJET or its SUBSIDIARIES on or before the

expiration of this AGREEMENT. The non-assertion granted to CANON, CANON's DESIGNATED SUBSIDIARY and the SUBLICENSEES, each of their distributors, dealers, agents and customers by INJET and its SUBSIDIARIES under this Section 2.5 shall be perpetual, irrevocable, worldwide, fully paid-up, royalty-free and payment-free.

2.6 INJET, on behalf of itself, its SUBSIDIARIES, and each of their predecessors and successors, forever releases and discharges CANON, all of its SUBSIDIARIES, and each of their officers, directors, employees, shareholders, distributors, dealers, agents and customers, whether direct or indirect or immediate or remote, from any and all claims for alleged infringement, whether by direct infringement, inducement of infringement and/or contributory infringement, of any of the LICENSED PATENTS with respect to all the activities conducted by them prior to the EFFECTIVE DATE hereof. The release and discharge granted under this Section 2.6 shall be perpetual, irrevocable, worldwide, fully paid-up, royalty-free and payment-free.

2.7 As to any and all combination, composition or usage as a system of a certain LICENSED PRODUCT and another LICENSED PRODUCT which LICENSED PRODUCTS are manufactured, in whole or in part, by or for CANON, CANON's DESIGNATED SUBSIDIARY or the SUBLICENSEES anywhere in the world or which LICENSED PRODUCTS are imported, used, sold, offered for sale, leased or otherwise disposed of, in whole or in part, by CANON, CANON's DESIGNATED SUBSIDIARY or the SUBLICENSEES anywhere in the world and for which LICENSED PRODUCTS the necessary royalties have been paid in accordance with Sections 3.2 through 3.4, INJET and its SUBSIDIARIES hereby agree, effective as of the EFFECTIVE DATE, not to assert forever against CANON, CANON's DESIGNATED SUBSIDIARY and the SUBLICENSEES, each of their distributors, dealers, agents and customers any and all LICENSED PATENTS and any and all patents and patent applications filed by INJET or its SUBSIDIARIES on or before the expiration of this AGREEMENT. The non-assertion granted to CANON, CANON's DESIGNATED SUBSIDIARY and the SUBLICENSEES, each of their distributors, dealers, agents and customers by INJET and its SUBSIDIARIES under this Section 2.7 shall be perpetual, irrevocable, worldwide, fully paid-up, royalty-free and payment-free.

ARTICLE 3. PAYMENTS AND ROYALTIES

3.1 In consideration of the rights and licenses granted under Article 2 above, CANON shall pay INJET an initial, lump-sum license fee of One Million U.S. Dollars (U.S. \$1,000,000) ("INITIAL FEE") in accordance with the following schedule:

- (i) Three Hundred Thousand U.S. Dollars (U.S. \$300,000) within thirty (30) calendar days of the EFFECTIVE DATE;
- (ii) Three Hundred Thousand U.S. Dollars (U.S. \$300,000) within thirty (30) calendar days of receipt by CANON of the copy of patent office records which show that INJET is the sole owner or assignee or applicant of the patents and patent applications that are listed in Exhibit A attached hereto and that are issued, registered or filed at the patent offices in Australia, Japan, the United States of America, Belgium, Denmark, Germany, France, Sweden, Switzerland, and the United Kingdom; and
- (iii) Four Hundred Thousand U.S. Dollars (U.S. \$400,000) within thirty (30) calendar days of receipt by CANON of the copy of patent office records which show that INJET is the sole owner or assignee or applicant of the patents and patent applications that are listed in Exhibit A attached hereto and that are issued, registered or filed at the patent offices in all countries other than Australia, Japan, the United States of America, Belgium, Denmark, Germany, France, Sweden, Switzerland, and the United Kingdom.

3.2 In addition to the INITIAL FEE described in Section 3.1 above and in further consideration of the rights and licenses granted under Article 2 above, subject to obtaining by CANON, CANON's DESIGNATED SUBSIDIARY and/or any SUBLICENSEE of necessary permission from applicable agency with respect to the DDS PRODUCTS and DDS DRUGS and starting the business of such DDS PRODUCTS storing such DDS DRUGS by CANON, CANON's DESIGNATED SUBSIDIARY or SUBLICENSEE, CANON shall pay to INJET a continuing royalty as

follows:

(a) With respect to each unit of the LICENSED PRODUCT that was made by or for CANON or CANON's DESIGNATED SUBSIDIARY in any PATENTED COUNTRY for such LICENSED PRODUCT or that was sold by CANON or CANON's DESIGNATED SUBSIDIARY in any PATENTED COUNTRY for the LICENSED PRODUCT or sold for marketing by their customers in any PATENTED COUNTRY for the LICENSED PRODUCT, the manufacture, use, sale, lease and other disposition of which LICENSED PRODUCT infringes at least one valid and enforceable claim of any of the issued or registered and unexpired LICENSED PATENTS unless the rights and licenses granted herein to CANON by INJET is granted, CANON and CANON's DESIGNATED SUBSIDIARY shall pay to INJET a running royalty of zero point five percent (0.5%) of the SALES PRICE of each unit of such LICENSED PRODUCT; and

(b) With respect to each unit of the LICENSED PRODUCT that was made by or for the SUBLICENSEE in any PATENTED COUNTRY for such LICENSED PRODUCT or that was sold by the SUBLICENSEE in any PATENTED COUNTRY for the LICENSED PRODUCT or sold for marketing by its customers in any PATENTED COUNTRY for the LICENSED PRODUCT, the manufacture, use, sale, lease and other disposition of which LICENSED PRODUCT infringes at least one valid and enforceable claim of any of the issued or registered and unexpired LICENSED PATENTS unless the rights and licenses granted herein to CANON by INJET is granted and for which CANON or CANON's DESIGNATED SUBSIDIARY received royalty payments from such SUBLICENSEE, CANON or CANON's DESIGNATED SUBSIDIARY shall pay to INJET ten percent (10%) of such SUBLICENSEE's royalty payments received by CANON or CANON's DESIGNATED SUBSIDIARY.

3.3 No more than one royalty payment shall be due for any given unit of LICENSED PRODUCT (a) regardless of the number of jurisdictions included in the PATENTED COUNTRIES in which the manufacture, use, sale or lease of such unit of

LICENSED PRODUCT occurs, and (b) regardless of the number of claims of any one issued or registered patent or the number of issued or registered patents included in LICENSED PATENTS that cover such unit of LICENSED PRODUCT.

3.4 Notwithstanding anything herein to the contrary, in no event shall any license fees or royalties be payable with respect to (a) any parts, units, components and software for or of the LICENSED PRODUCTS, (b) anything other than the LICENSED PRODUCTS and (c) any LICENSED PATENTS other than those that are issued or registered and unexpired and have at least one valid and enforceable claim covering the LICENSED PRODUCTS.

Article 4. ROYALTY REPORTS, PAYMENTS AND AUDIT

4.1 After obtaining permission from applicable agency provided in Section 3.2 above, CANON and CANON's DESIGNATED SUBSIDIARY shall render INJET calendar semi-annual written reports setting forth for the preceding calendar semi-annual period:

(a) The identity by model number, SALES PRICE and quantity, of each LICENSED PRODUCT made by or for CANON or CANON's DESIGNATED SUBSIDIARY which is subject of the continuing royalty pursuant to clause (a) of Section 3.2 hereof, and the amount of royalty due and payable to INJET by CANON or CANON's DESIGNATED SUBSIDIARY with respect to such LICENSED PRODUCT; and

(b) The identity of SUBLICENSEE with respect to the LICENSED PRODUCT which is subject of the royalty pursuant to clause (b) of Section 3.2 hereof, the identity by model number of such LICENSED PRODUCT, and the amount of royalty payments received by CANON or CANON's DESIGNATED SUBSIDIARY from such SUBLICENSEE and the amount of royalty due and payable to INJET by CANON or CANON's DESIGNATED SUBSIDIARY with respect to such SUBLICENSEE's LICENSED PRODUCT.

The semi-annual written report under this AGREEMENT is due within sixty (60) days

from each June 30 and December 31, but solely after the permission from applicable agency provided in Section 3.2 above and during the term of AGREEMENT.

Concurrently with the delivery of said semi-annual written report, CANON and CANON's DESIGNATED SUBSIDIARY shall pay INJET the royalty due. In the event that no royalty is payable to INJET hereunder for the calendar semi-annual year, CANON and CANON's DESIGNATED SUBSIDIARY shall not be required to render the written report. CANON's DESIGNATED SUBSIDIARY may render the reports and pay the royalty, to INJET through CANON.

4.2 The foregoing reports set forth in Section 4.1 above and the information contained therein shall be confidential or proprietary information of CANON and CANON's DESIGNATED SUBSIDIARY. Accordingly, INJET shall not disclose such reports and information to any third party nor use the same for any purpose other than INJET's administration of the payments by CANON and CANON's DESIGNATED SUBSIDIARY to INJET hereunder.

4.3 All payments to be made to INJET under this AGREEMENT shall be made in the United States Dollars and shall be made by wire transfer to INJET on the following account:

Bank Name: Commonwealth Bank
Branch Name: Victoria Park, Castle Hill
BSB: 062 098
Account Name: InJet Digital Aerosols Limited
Account Number: 1001 2721

The amounts payable by CANON and CANON's DESIGNATED SUBSIDIARY to INJET hereunder shall be converted into the equivalent in United States Dollars at the Telegraphic Transfer Middle (TTM) rate quoted by the Bank of Tokyo-Mitsubishi, Head Office, Tokyo, Japan, or other banks designated by CANON or CANON's DESIGNATED SUBSIDIARY on the last business day of the reporting period.

4.4 The amounts payable under this AGREEMENT may be paid from Japan or from any other country where Australia has a current tax treaty subject to any laws and

regulations applicable to international payments, provided, however, that payments under this AGREEMENT shall be made in United States Dollars.

4.5 In the event that any government imposes any tax on any such payments made by CANON or CANON's DESIGNATED SUBSIDIARY to INJET, (i) CANON or CANON's DESIGNATED SUBSIDIARY may deduct and withhold such tax from such payments and shall effect payment of such tax so withheld to the appropriate tax authorities of such government, (ii) such taxes withheld and paid by CANON or CANON's DESIGNATED SUBSIDIARY shall be regarded as an expense of INJET, and (iii) CANON or CANON's DESIGNATED SUBSIDIARY shall furnish to INJET a tax receipt documenting such tax payment and issued by the tax authority.

4.6 CANON agrees to keep and maintain and to cause CANON's DESIGNATED SUBSIDIARY to keep and maintain, for a period of two (2) years after the date of each written report set forth in Section 4.1 above, records or books relating to the computation of the royalties hereunder. At the request of INJET with advance notice and subject to agreement of CANON and CANON's DESIGNATED SUBSIDIARY as to the date of inspection, INJET may have such records or books inspected to verify CANON's and CANON's DESIGNATED SUBSIDIARY's reports as may be necessary to determine the correctness of CANON's and CANON's DESIGNATED SUBSIDIARY's written reports set forth in Section 4.1 above. Any such inspection shall be conducted only by an independent certified public accountant selected by INJET and accepted by CANON and CANON's DESIGNATED SUBSIDIARY, and not more than once a calendar year and during reasonable business hours, in a manner that does not unreasonably interfere with CANON's and CANON's DESIGNATED SUBSIDIARY's business activities. The accountant shall keep in confidence any and all information obtained through such inspection and shall not disclose to INJET any information other the correctness or incorrectness of the written reports and payments made pursuant to this Article 4. INJET shall bear all the expense incurred from the inspection. Any written report or payment for which inspection of records or books is not requested by INJET within two (2) years after the date of each respective written report shall be deemed conclusive and accepted by INJET. If as a result of such

inspection and upon final resolution of the matter it is determined that the amount of the royalties paid by CANON or CANON's DESIGNATED SUBSIDIARY is incorrect in either INJET's or CANON's or CANON's DESIGNATED SUBSIDIARY's favor, then any amount due to applicable party shall be promptly paid or repaid.

ARTICLE 5. DISCLOSURE OF PATENTS

5.1 Within thirty (30) calendar days of the EFFECTIVE DATE, INJET shall furnish to CANON the specifications, claims, and drawings of all of the LICENSED PATENTS that are on file, pending, issued, registered or abandoned in any country of the world as of the EFFECTIVE DATE. Thereafter, INJET shall keep CANON informed of the status of such LICENSED PATENTS and shall furnish to CANON in every calendar semi-annual period any and all documents including amendments to the specifications, claims, and/or drawings of any and all LICENSED PATENTS and remarks filed on or after the EFFECTIVE DATE. Notwithstanding the foregoing, upon written request by CANON, INJET shall promptly furnish to CANON the information and material requested by CANON with respect to the LICENSED PATENTS.

5.2 In the event that CANON requests INJET to answer inquires in connection with any of the LICENSED PATENTS, INJET shall promptly comply with such CANON's requests in an appropriate manner acceptable to CANON.

ARTICLE 6. IMPROVEMENTS

6.1 Any of CANON, its SUBSIDIARIES, and SUBLICENSEES shall have the right to make improvements to all or any part of the LICENSED PATENTS and to obtain any rights of any kind with respect to such improvements. All rights, titles, and interests in and to such improvements and the obtained rights shall remain the sole property of CANON, its SUBSIDIARIES, and SUBLICENSEES as determined by them, and INJET and its SUBSIDIARIES, VAPOTRONICS and its SUBSIDIARIES

(hereinafter excluding PONWELL), PONWELL, PSIRON and ATIF shall have no rights in such improvements whatsoever. None of CANON, its SUBSIDIARIES, and SUBLICENSEES shall have any obligation to notify INJET of such improvements.

ARTICLE 7. CONFIDENTIALITY

7.1 None of CANON, its SUBSIDIARIES and SUBLICENSEES shall assume or have any obligation to hold in confidence any information contained in any of the LICENSED PATENTS whether published, unpublished, or otherwise unavailable to the public. Further, CANON and CANON's DESIGNATED SUBSIDIARY may, at their sole discretion and without INJET's consent, disclose any of the terms and conditions of this AGREEMENT to third parties for any purposes, including without limitation, in the course of CANON's or CANON's DESIGNATED SUBSIDIARY's sublicensing and sales activity set forth in Article 2 above and make public announcement, press release or statement for publication in regard thereto.

7.2 INJET shall by itself and have its SUBSIDIARIES, and PSIRON shall by itself and have VAPOTRONICS and its SUBSIDIARIES and PONWELL, and ATIF shall keep confidential and not disclose to any third party, without CANON's prior written consent, the existence and substance of this AGREEMENT as well as the terms and conditions of this AGREEMENT, and any and all information contained in the royalty reports which are and have been furnished by CANON and CANON's DESIGNATED SUBSIDIARY pursuant to Article 4 above.

7.3 Notwithstanding Section 7.2 hereof and subject to prior review and investigation by CANON, INJET, PSIRON and ATIF may disclose only the existence and the fact of the execution of this AGREEMENT only for complying with any applicable laws concerning disclosure of information, whether to shareholders or relevant agencies, including the Corporations Act 2001 and, if its shares are listed on the Australian Stock Exchange, the Australian Stock Exchange Listing Rules.

ARTICLE 8. PROSECUTION, MAINTENANCE, ASSIGNMENT AND
ENFORCEMENT OF LICENSED PATENTS

8.1 INJET shall be required to maintain, prosecute, or otherwise support any LICENSED PATENTS. However, if INJET wishes to cease the payment of maintenance fees, prosecution, or other support of any patent or patent application which is a LICENSED PATENT, INJET shall give to CANON the right of first refusal to obtain assignment of such patent and patent application at no charge to CANON for such assignment. If CANON elects to obtain assignment, INJET shall provide all necessary assistance and do all lawful things in connection with assignment, prosecution, and maintenance of such patent and patent application. INJET shall have no right, title, or interest in or to such assigned patent and patent application and such patent and patent application shall no longer be deemed LICENSED PATENTS for the purpose of this AGREEMENT. If CANON elects not to obtain such assignment, INJET may cease the payment of maintenance fees, prosecution, or other support of such patent or patent application.

8.2 INJET agrees that at any time during the term of this AGREEMENT CANON shall have the right to obtain the assignment of any patent or patent application which is a LICENSED PATENT in return for CANON's monetary payment to INJET of an amount agreed to by the PARTIES. If CANON elects to obtain assignment, INJET shall negotiate in good faith the terms and conditions of the assignment (e.g., the purchase price). In the case of the assignment, INJET shall provide all necessary assistance and do all lawful things in connection with assignment, prosecution, and maintenance of such patent and patent application. INJET shall have no right, title, or interest in or to such assigned patent and patent application and such patent and patent application shall no longer be deemed LICENSED PATENTS for the purpose of this AGREEMENT.

8.3 (a) So long as the applicable laws so authorize or entitle, CANON may bring a lawsuit against a third party infringing or allegedly infringing any of the LICENSED

PATENTS, at CANON's expense. When CANON brings such a lawsuit, INJET shall, pursuant to the applicable laws or at CANON's request, cooperate with CANON at INJET's expense. CANON shall solely own any and all recoveries from any such lawsuit after reimbursement of reasonable expense to INJET incurred to it from the foregoing cooperation with CANON.

(b) If the applicable laws do not authorize or entitle CANON to bring a lawsuit against a third party infringing or allegedly infringing of any of the LICENSED PATENTS, at CANON's request INJET shall bring such a lawsuit, at INJET's expense. At its will, CANON may participate in such lawsuit at its expense. INJET and CANON shall share any and all recoveries from any such lawsuit.

8.4 At any time during the term of this AGREEMENT, CANON is free to have the validity of the LICENSED PATENTS examined or reexamined by the Patent Offices or other authorities of the country involved. Further, CANON may at any time assist the Patent Offices and the governmental agencies of the patent in their examination of the patent applications included in the LICENSED PATENTS. Such assistance includes giving relevant information to the Patent Offices or the agencies. Even if CANON had the validity of any of the LICENSED PATENTS examined or reexamined by the Patent Offices or other authorities of the country involved or assisted such examination, it does not affect any rights and licenses granted to CANON by INJET under this AGREEMENT.

ARTICLE 9. CLOSING OF LICENSING; GUARANTEE

9.1 CANON shall declare, in writing to INJET, a closing of the licensing contemplated in Article 2 hereof only if and only when all of the following events have taken place simultaneously or separately:

- (a) INJET causes its duly authorized representative (e.g., chief executive officer or managing director) to execute and CANON shall have received from INJET a certificate in the form and substance attached hereto as Exhibit B

("INJET CERTIFICATE"), dated as of the EFFECTIVE DATE;

(b) CANON shall have received from INJET the opinion letter issued by Russell and Company, a Australian law office having its principal place of business at Level 3, Black Ink, 77 Eagle Street, Brisbane Queensland 4000, Australia, as counsel for INJET, for the benefit of CANON, verifying the truth and correctness of the representations and warranties set forth in the INJET CERTIFICATE, dated as of the EFFECTIVE DATE;

(c) CANON shall have received from INJET, as to all of LICENSED PATENTS listed in Exhibit A hereto and their corresponding foreign patents and patent applications, a copy of assignment agreement which evidences that INJET has acquired lawfully from VOGES, PONWELL and/or VAPOTRONICS, together with the right to claim for past damages, all the right (including the right to claim for past damages), title, ownership and interest in or to or of all of the patents and patent applications which qualify as the LICENSED PATENTS;

(d) VAPOTRONICS causes its duly authorized representative (e.g., chief executive officer or managing director) to execute and CANON shall have received through INJET a certificate in the form and substance attached hereto as Exhibit C ("VTI CERTIFICATE"), dated as of the EFFECTIVE DATE; and

(e) PONWELL causes its duly authorized representative (e.g., chief executive officer or managing director) to execute and CANON shall have received through INJET a certificate in the form and substance attached hereto as Exhibit D ("PONWELL CERTIFICATE"), dated as of the EFFECTIVE DATE; and

(f) Each of PSIRON and ATIF causes its duly authorized representative (e.g., chief executive officer or managing director) to execute and CANON shall have received through INJET a certification of the guarantee made pursuant to Section 9.2 hereof.

9.2 Each of PSIRON and ATIF, jointly and severally, hereby guarantees due performance of the obligations of INJET hereunder, including, without limitation, (i) the grant of the exclusive license under Section 2.1 hereof and (ii) the refund of the

INITIAL FEE to CANON pursuant to Section 13.3 hereof.

9.3 PSIRON hereby agrees to CANON on the following:

- (a) PSIRON shall, at least for a period of one (1) year commencing on the EFFECTIVE DATE, continue holding voting rights sufficient to elect two-third (2/3) or more of the board members of VAPOTRONICS and PONWELL, respectively; and
- (b) PSIRON shall, at least for a period of one (1) year commencing on the EFFECTIVE DATE, (i) keep VAPOTRONICS and PONWELL in good standing, respectively, (ii) cause each of them to fully satisfy or settle any payment claim made by its creditor generally when due, and (iii) make its best efforts to avoid petition, voluntary or involuntary, for bankruptcy protection under bankruptcy laws, reorganization laws or any other similar laws in favor of any of them.

ARTICLE 10. ASSIGNMENT

10.1 This AGREEMENT and the rights and obligations hereunder may not be assigned by either PARTY without the express prior written consent of the other PARTY. This AGREEMENT shall be binding upon and inure to the benefit of the PARTIES, their permitted assigns, trustees, or receivers in bankruptcy or successors by merger, purchase of assets or otherwise.

10.2 Whenever INJET receives a bona-fide offer from any third party to purchase, or wishes to an offer to any third party to sell any patent or patent application which is a LICENSED PATENT during the term of this AGREEMENT, INJET shall grant to CANON the right to purchase such patent or patent application, prior to proceeding to any negotiation with such third party, at the amount equal to one offered by or intended to be offered to such third party. If CANON fails to exercise the purchase right within sixty (60) calendar days after its receipt of the written notice thereon from INJET, INJET may, within the succeeding thirty (30) calendar days, sell such patent or patent

application to such third party at the same purchase price notified to CANON in writing, provided that INJET shall always secure all the rights and licenses granted to CANON and its SUBLICENSEES under such patent or patent application in this AGREEMENT. If CANON exercises the purchase right within sixty (60) days, INJET shall negotiate in good faith with CANON and upon purchase provide all necessary assistance and do all lawful things in connection with assignment, prosecution, and maintenance of such patent and patent applications. INJET shall have no right, title, or interest in or to such assigned patent and patent application and such patent and patent application shall not be deemed a LICENSED PATENT for the purpose of this AGREEMENT.

10.3 Subject to Sections 8.1, 10.2 and 13.5 hereof, INJET shall not assign any of the LICENSED PATENTS nor grant any licenses thereunder to any party.

10.4 Nothing contained in this AGREEMENT shall be construed as a grant of any right, by license or otherwise, by CANON or any of its SUBSIDIARIES to INJET and its SUBSIDIARIES, VAPOTRONICS and its SUBSIDIARIES, PONWELL, PSIRON or ATIF under any of CANON's or its SUBSIDIARIES' patent, patent application, trademark, trade name, copyright, know-how, or other intellectual property rights.

ARTICLE 11. NOTICES

11.1 Any notice which either PARTY desires or is obligated to give to the other PARTY hereunder shall be in writing and sent by registered air mail or courier, postage prepaid and addressed to the last known address of such PARTY which the notice is intended. As of the date hereof, any notice to be given to INJET shall be addressed to:

Injet Digital Aerosols Limited
Level 9, Avaya House
123 Epping Road
North Ryde NSW 2113, Australia
Attention: Chief Executive Officer

Facsimile Number: + 61 2 8875 7777

As of the date hereof, any notice to be given to CANON shall be addressed to:

For any provision of this Agreement:

Canon Inc.

30-2, Shimomaruko 3-chome

Ohta-ku, Tokyo 146-8501, Japan

Attention: Group Executive

Corporate Intellectual Property and
Legal Headquarters

Facsimile Number: +81-3-3758-8163

For all other matters:

Canon Inc.

30-2, Shimomaruko 3-chome

Ohta-ku, Tokyo 146-8501, Japan

Attention: Senior General Manager

Advanced Materials Research Center
Facsimile Number: +81-3-3757-7193

Except as otherwise expressly provided herein, notice shall be deemed to have been received on the date when actually received by the receiving PARTY. Notice hereunder may be given via facsimile; provided, however, that such notice shall be promptly confirmed in writing and sent to the receiving PARTY in accordance with procedures set forth above in this Section 11.1. Either PARTY may change its address by written notice to the other.

ARTICLE 12. RECORDATION OF PATENT LICENSE

12.1 CANON, in its sole discretion and at its expense, may register or record its

rights and licenses granted herein under the LICENSED PATENTS in the Patent Offices or other appropriate government agency in countries of the world involved. At CANON's request and at CANON's expense, INJET shall assist CANON and shall execute all documents and do all lawful things to effect such registration or recordation.

ARTICLE 13. TERM AND TERMINATION; TERMINATION OF EXCLUSIVITY

13.1 The term of the rights and licenses granted under Article 2 above shall commence on the EFFECTIVE DATE and continue until the last to expire of the LICENSED PATENTS, unless earlier terminated as permitted herein, provided that the covenants of non-assertion and release granted under Sections 2.5, 2.6 and 2.7 above shall be perpetual.

13.2 CANON shall have the right to terminate this entire AGREEMENT or with respect to any individual LICENSED PATENT in any jurisdiction without cause at any time effective upon thirty (30) calendar days written notice.

13.3 It is recognized and agreed by INJET that any untruth or incorrectness in any representations and warranties made in the INJET CERTIFICATE or the VTI CERTIFICATE or the PONWELL CERTIFICATE constitutes a material breach of this AGREEMENT by INJET, and grants to CANON the right to terminate this AGREEMENT. INJET shall, in the event of the termination so exercised by CANON, refund the INITIAL FEE to CANON within thirty (30) calendar days after the notice of the termination given by CANON to INJET. Such refund of the INITIAL FEE shall not be deemed to be any liquidated damages for the breach of this AGREEMENT.

13.4 Expiration or termination of this AGREEMENT shall not relieve either PARTY of any obligation accrued prior to the date of such expiration or termination, including any obligation to pay royalty, or relieve a PARTY in default from liability for damages for breach of this AGREEMENT. Waiver by either PARTY or a single breach or succession of breaches shall not deprive that PARTY of any right to terminate this

AGREEMENT due to any subsequent breach.

13.5 During the period beginning from third anniversary of the EFFECTIVE DATE and ending on twelfth anniversary of the EFFECTIVE DATE, INJET may send CANON an inquiry in writing as to CANON's intent to enter or continue the business of DDS PRODUCT. If, in reply to such INJET inquiry, CANON advised INJET in writing that CANON has decided to not enter or to quit the business of DDS PRODUCT, then, the following provisions shall become effective and a part of this AGREEMENT:

- (a) CANON's rights and licenses granted in Section 2.1 shall be converted to non-exclusive without affecting any of its right to sublicense under Section 2.1 and to extend its license to its SUBSIDIARIES under Section 2.2;
- (b) INJET shall immediately notify CANON in writing if INJET granted patent licenses to third parties under any of the LICENSED PATENTS at more favorable payment terms than those agreed upon with CANON in this AGREEMENT, and CANON shall have an option, exercisable by written election to INJET, to adopt such more favorable terms which shall be retroactively effective as of the date when INJET first offered such terms to any such third party; and
- (c) Subject to Section 10.2 above, INJET shall not assign any of the LICENSED PATENTS to any third party nor grant to any third party any licenses, whether exclusive or non-exclusive, under any of the LICENSED PATENTS without securing the rights and licenses granted to CANON under Section 2.1 above and rights to extend its license to its SUBSIDIARIES under Section 2.2 above.

ARTICLE 14. MISCELLANEOUS

14.1 In the event that any further lawful performance of this AGREEMENT or any obligations thereof by either PARTY shall be rendered impossible by, or as a consequence of, any law or administrative ruling of any government or political division thereof having jurisdiction over such PARTY, such PARTY shall not be not considered

in default hereunder by reason of any failure to perform occasioned thereby.

14.2 Any delays in or failure by either PARTY in performance of any obligations hereunder shall be excused to the extent caused by occurrences beyond such PARTY's reasonable control, including, but not limited to, acts of God, strikes or other labor disturbances, war, whether declared or not, sabotage, and other causes, whether similar or dissimilar to those specified, which cannot reasonably be controlled by such PARTY.

14.3 Any delay or non-performance by one PARTY excused under the provisions of Section 14.1 or 14.2 above shall be deemed grounds for termination by the other PARTY if continued for six (6) months or more.

14.4 The provisions of this AGREEMENT shall be deemed separable. Therefore, if any part of this AGREEMENT is rendered void, invalid, or unenforceable, such rendering shall not affect the validity and enforceability of the remainder of this AGREEMENT unless the part or parts which are void, invalid or unenforceable shall substantially impair the value of the whole AGREEMENT to either PARTY.

14.5 This AGREEMENT sets forth the entire understanding between the PARTIES relating to the subject matter hereof, and supersedes and cancels any and all prior agreements and understandings, whether written or oral, between the PARTIES relating to the subject matter contained herein. This AGREEMENT may not be modified, amended, or discharged except as expressly stated in this AGREEMENT or by subsequent written agreement signed by the PARTIES.

14.6 This AGREEMENT shall be governed and interpreted in accordance with the laws of Japan.

14.7 The original copies of this AGREEMENT and all communications required or permitted hereunder shall be in the English language and shall govern any interpretation of this AGREEMENT.

IN WITNESS WHEREOF, the PARTIES have caused this AGREEMENT to be executed by their duly authorized representatives as of the date first above written.

Injet Digital Aerosols Limited

BY: [Signature]
NAME: Ronald van den Pluym

TITLE: Director

DATE: 27 August 2003

CANON INC.

BY: [Signature]
NAME: Fujio Mitarai

TITLE: President and C.E.O.

DATE: August 22, 2003

Agreed and acknowledged by PSIRON LIMITED

BY: [Signature]
NAME: Bryan Overbury

TITLE: Director

DATE: 27 August 2003

Agreed and acknowledged by Australian Technology Innovation Fund Limited

BY: [Signature]
NAME: Stephen Jones

TITLE: Chairman

DATE: 27 August 2003

EXHIBIT A TO LICENSE AGREEMENT

“Dispenser”

International Publication No. WO95/01137;
United States Patent No. 5,894,841;
European Patent No. 706352B1;
Korean Patent No. 314138;
Japanese Patent Application No. 1995 (Hei 7)-503162;
Brazilian Patent Application No. 94U6968;
Chinese Patent Application No. 94192906;
Canadian Patent Application No. 2165961A;

“Piezo Inhaler”

International Publication No. WO00/50111;
United States Patent No. 6,196,218;
United States Patent No. 6,443,146;
European Patent Application No. 914714.1;

“Inhaler with removable droplet ejection cartridge”

International Publication No. WO02/04043;
United States Patent Application No. 09/614196;
Japanese Patent Application No. 2002-508497;
European Patent Application No. 1957135.5;
Australian Patent Application No. 200178906;

“Composition for protein delivery via the pulmonary route”

International Publication No. WO02/094342A2;
United States Patent Application No. 10/153422;
Chinese Patent Application No. 2802360.9;
Singaporean Patent Application No. 200300200-3;

"Inhalation device having an optimised airflow"

United States Patent Application No. 10/080504;

"Respiratory delivery system with power medicament recharge assembly"

United States Patent Application No. 09/595722;

"Inhaler with airflow regulation"

United States Patent Application No. 10/062174.

EXHIBIT B TO LICENSE AGREEMENT

[Letterhead of Injet Digital Aerosols Limited]

[Date]

Attention: _____

Canon Inc.

Corporate Intellectual Property and

Legal Headquarters

30-2, Shimomaruko 3-chome, Ohta-ku,

Tokyo 146-8501

Japan

Dear Sirs:

REPRESENTATIONS & WARRANTIES BY INJET

Pursuant to Section 9.1 of a certain LICENSE AGREEMENT fully executed by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET") and Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") as of April 1, 2003, INJET hereby represents and warrants to CANON that the following matters are true and correct as of _____, 2003 (the capitalized term below has the same meaning assigned thereto under such LICENSE AGREEMENT).

- (a) INJET is a corporation duly organized, validly existing, and in good standing under the laws of Australia. INJET has full corporate power and authority to carry out its business as it is now being conducted and to own the properties and assets (including, without limitation, patents) as it now owns;
- (b) INJET has full power and authority (including corporate power and authority) to

Page 1

execute and deliver the LICENSE AGREEMENT, and to perform its obligations thereunder. Without limiting the foregoing, the board of directors and shareholders of INJET have duly authorized the execution, delivery and performance of the LICENSE AGREEMENT, and the transactions thereby contemplated. The LICENSE AGREEMENT, executed and delivered by INJET, constitutes the valid and legally binding obligation of INJET, enforceable in accordance with its terms and conditions;

- (c) Neither the execution and delivery of the LICENSE AGREEMENT nor the consummation of the transactions thereby contemplated will (i) violate (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any provisions of the charter or bylaws of INJET, or (ii) conflict with, result in a breach of, constitutes a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which INJET is a party or by which it is bound or to which any of its assets is subject;
- (d) INJET has acquired lawfully from VOGES, VAPOTRONICS and PONWELL, together with the right to claim for past damages, all the right, title, ownership and interest in or to or of all of the patents and patent applications which qualify as the LICENSED PATENTS. INJET has good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS which materially and adversely affects the exclusive license and right granted to CANON pursuant to Sections 2.1 and 2.2 of the LICENSE AGREEMENT. Without limiting the generality of the foregoing, INJET has not made or has fully terminated grant of any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) to any of its SUBSIDIARIES or any other person, firm or entity, including VAPOTRONICS and its SUBSIDIARIES, PONWELL and VOGES to use or explore any of the LICENSED PATENTS anywhere in the world;

- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of INJET, is threatened to be pending against INJET or its SUBSIDIARY which challenges the legality, validity or enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6). INJET is not subject to any outstanding injunction, judgment, order, decree, ruling or charge which prohibits INJET from using or exploiting any of the LICENSED PATENTS or otherwise materially and adversely affect the exclusive license granted to CANON pursuant to Section 2.1 of the LICENSE AGREEMENT; and
- (f) INJET is not insolvent and has never declared suspension of its payments generally when due. INJET has not taken any corporate action nor, to the best knowledge of INJET, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of INJET.

Very truly yours,

Injet Digital Aerosols Limited

[Signature of duly authorized representative]

[Name of duly authorized representative]

Avaya House, 123 Epping Road North Ryde,

Sydney

New South Wales

Australia

[End]

Page 3

EXHIBIT C TO LICENSE AGREEMENT

[Letterhead of VAPOTRONICS]

[Date]

Attention: _____

Canon Inc.

Corporate Intellectual Property and

Legal Headquarters

30-2, Shimomaruko 3-chome, Ohta-ku,

Tokyo 146-8501

Japan

Dear Sirs:

REPRESENTATIONS & WARRANTIES BY VAPOTRONICS

As per the request made by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET"), Vapotronics, Inc., a Delaware corporation having its principal place of business at Suite 330, 12555 High Bluff Drive, San Diego, California 92130, U.S.A. ("VAPOTRONICS") hereby represents and warrants to Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") that the following matters are true and correct as of _____, 2003. The capitalized term below has the same meaning assigned thereto under a certain LICENSE AGREEMENT fully executed by INJET and CANON as of April 1, 2003:

- (a) VAPOTRONICS is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware;
- (b) VAPOTRONICS completed filings of patent applications in the United States and

Page 1

any other countries for any and all of its inventions with respect to or applicable to the LICENSED PRODUCTS. Such patents and patent applications constitute the LICENSED PATENTS;

- (c) VAPOTRONICS caused all of its SUBSIDIARIES and affiliates (excluding PONWELL) to dully assign to VAPOTRONICS all patents and patent applications then filed or owned or controlled by them which if owned or controlled by VAPOTRONICS would qualify as the LICENSED PATENTS. As of the date hereof, VAPOTRONICS had good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS. VAPOTRONICS fully terminated any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) granted to any other person, firm or entity to use or explore any of the LICENSED PATENTS anywhere in the world;
- (d) VAPOTRONICS lawfully assigned all of the LICENSED PATENTS together with the right to claim for past damages to INJET as of _____, 2003 ("DATE OF ACQUISITION"), and has completed filing of applications for record of such assignment of the LICENSED PATENTS to INJET at the U.S.P.T.O or any other relevant patent offices in the countries involved. Such assignment has not (i) violated (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any provisions of the charter or bylaws of VAPOTRONICS, or (ii) conflicted with, resulted in a breach of, constituted a default under, resulted in the acceleration of, created in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which VAPOTRONICS is a party or by which it is bound or to which any of its assets is subject;
- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of VAPOTRONICS, is threatened to be pending against VAPOTRONICS which challenges the legality, validity or

enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6); and

- (f) VAPOTRONICS never declared suspension of its payments generally when due. VAPOTRONICS has not taken any corporate action nor, to the best knowledge of such member, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of such member.

Very truly yours,

Vapotronics, Inc.

[Signature of duly authorized representative]

[Name of duly authorized representative]

Suite 330, 12555 High Bluff Drive

San Diego, California 92130

U.S.A.

[End]

EXHIBIT D TO LICENSE AGREEMENT

[Letterhead of PONWELL]

[Date]

Attention: _____

Canon Inc.

Corporate Intellectual Property and

Legal Headquarters

30-2, Shimomaruko 3-chome, Ohta-ku,

Tokyo 146-8501

Japan

Dear Sirs:

REPRESENTATIONS & WARRANTIES BY PONWELL

As per the request made by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET"), Ponwell Enterprises Ltd, a corporation of the British Virgin Islands having its principal place of business at The Lake Building, 1st Floor Wickhams Cay, Road Town, Tortola, British Virgin Islands ("PONWELL") hereby represents and warrants to Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") that the following matters are true and correct as of _____, 2003. The capitalized term below has the same meaning assigned thereto under a certain LICENSE AGREEMENT fully executed by INJET and CANON as of April 1, 2003:

- (a) PONWELL is a corporation duly organized, validly existing, and in good standing under the laws of the British Virgin Islands;
- (b) PONWELL completed filings of patent applications in the United States and any

Page 1

other countries for any and all of its inventions with respect to or applicable to the DDS PRODUCTS, CARTRIDGE or the DDS DRUGS. Such patents and patent applications constitute the LICENSED PATENTS;

- (c) PONWELL caused all of its SUBSIDIARIES and affiliates to dully assign to PONWELL all patents and patent applications then filed or owned or controlled by them which if owned or controlled by PONWELL would qualify as the LICENSED PATENTS. PONWELL has acquired from all patents and patent applications which qualify as the LICENSED PATENTS. As of the date hereof, PONWELL had good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS. PONWELL fully terminated any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) granted to any other person, firm or entity to use or explore any of the LICENSED PATENTS anywhere in the world;
- (d) PONWELL lawfully assigned all of the LICENSED PATENTS together with the right to claim for past damages to INJET as of _____, 2003 ("DATE OF ACQUISITION"), and has completed filing of applications for record of such assignment of the LICENSED PATENTS to INJET at the U.S.P.T.O or any other relevant patent offices in the countries involved. Such assignment has not (i) violated (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any provisions of the charter or bylaws of PONWELL, or (ii) conflicted with, resulted in a breach of, constituted a default under, resulted in the acceleration of, created in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which PONWELL is a party or by which it is bound or to which any of its assets is subject;
- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of PONWELL, is threatened to be

pending against PONWELL which challenges the legality, validity or enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6); and

- (f) PONWELL never declared suspension of its payments generally when due. PONWELL has not taken any corporate action nor, to the best knowledge of such member, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of such member.

Very truly yours,

Ponwell Enterprises Ltd

[Signature of duly authorized representative]

[Name of duly authorized representative]

The Lake Building

1st Floor Wickhams Cay

Road Town

Tortola

British Virgin Islands

[End]

18th September 2003



Mr Toshio Kato
Deputy Senior General Manager
Contracts and Licensing Center
Corporate Intellectual Property and Legal Headquarters
Canon Inc
30-2 Shimomaruko 3-Chome
Ohta-ku
Tokyo 146-8501
Japan

Dear Mr Kato,

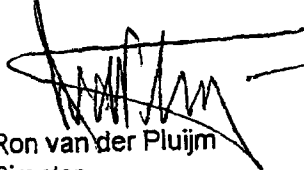
Please find attached all signed certificates and copies of the patent assignment deeds as per Clause 9.1 and 9.2 of the licence agreement.

Attached are:

- Injet Certificate
- Opinion letter from Russell and Company
- Copy of the Assignment of Patents (3 deeds)
- VTI Certificate
- Ponwell Certificate
- Psiron and ATIF Guarantee.

This should fulfill all requirement as per the licence agreement.

Yours sincerely,
Injet Digital Aerosols



Ron van der Pluijm
Director

10 September 2003

Attention: Mr Toshio Kato
Canon Inc.
Corporate Intellectual Property and
Legal Headquarters
30-2, Shimomaruko 3-chome, Ohta-ku,
Tokyo 146-8501
Japan

Dear Sirs:

Representations & Warranties by INJET

Pursuant to Section 9.1 of a certain LICENSE AGREEMENT fully executed by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET") and Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") as of April 1, 2003, INJET hereby represents and warrants to CANON that the following matters are true and correct as of 10 September, 2003 (the capitalized term below has the same meaning assigned thereto under such LICENSE AGREEMENT).

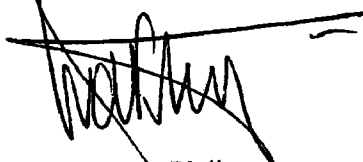
- (a) INJET is a corporation duly organized, validly existing, and in good standing under the laws of Australia. INJET has full corporate power and authority to carry out its business as it is now being conducted and to own the properties and assets (including, without limitation, patents) as it now owns;
- (b) INJET has full power and authority (including corporate power and authority) to execute and deliver the LICENSE AGREEMENT, and to perform its obligations thereunder. Without limiting the foregoing, the board of directors and shareholders of INJET have duly authorized the execution, delivery and performance of the LICENSE AGREEMENT, and the transactions thereby contemplated. The LICENSE AGREEMENT, executed and delivered by INJET, constitutes the valid and legally binding obligation of INJET, enforceable in accordance with its terms and conditions;
- (c) Neither the execution and delivery of the LICENSE AGREEMENT nor the consummation of the transactions thereby contemplated will (i) violate (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any provisions of the charter or bylaws of INJET, or (ii) conflict with, result in a breach of, constitutes a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which INJET is a party or by which it is bound or to which any of its assets is subject;
- (d) INJET has acquired lawfully from VOGES, VAPOTRONICS and PONWELL, together with the right to claim for past damages, all the right, title, ownership and interest in or to

Level 9 Avaya House 123 Epping Road North Ryde NSW 2113 Australia
(t) +61 2 8875 7947 (f) +61 2 8875 7777 (e) injet@injet.com.au

or of all of the patents and patent applications which qualify as the LICENSED PATENTS. INJET has good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS which materially and adversely affects the exclusive license and right granted to CANON pursuant to Sections 2.1 and 2.2 of the LICENSE AGREEMENT. Without limiting the generality of the foregoing, INJET has not made or has fully terminated grant of any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) to any of its SUBSIDIARIES or any other person, firm or entity, including VAPOTRONICS and its SUBSIDIARIES, PONWELL and VOGES to use or explore any of the LICENSED PATENTS anywhere in the world;

- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of INJET, is threatened to be pending against INJET or its SUBSIDIARY which challenges the legality, validity or enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6). INJET is not subject to any outstanding injunction, judgment, order, decree, ruling or charge which prohibits INJET from using or exploiting any of the LICENSED PATENTS or otherwise materially and adversely affect the exclusive license granted to CANON pursuant to Section 2.1 of the LICENSE AGREEMENT; and
- (f) INJET is not insolvent and has never declared suspension of its payments generally when due. INJET has not taken any corporate action nor, to the best knowledge of INJET, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of INJET.

Very truly yours,
Injet Digital Aerosols Limited



Ron van der Pluijm
Avaya House, 123 Epping Road North Ryde, Sydney
New South Wales
Australia

RUSSELL AND COMPANY

Solicitors

Our Ref: Mr Betros
Your Ref: Mr van der Pluijm

16 September, 2003

Ron van der Pluijm Esq
Chief Executive Officer
Injet Digital Aerosols Limited
Level 9
Avaya House
123 Epping Road
MACQUARIE PARK 2113

Dear Sir

Canon Inc ("Canon")

We refer to the Licence Agreement which your company has entered into with Canon dated 1 April 2003.

We have considered the letter dated 10 September 2003 that you have written to Canon pursuant to article 9.1(a) of the Licence Agreement, in which your company has made to Canon certain representations and warranties.

We are satisfied, as your solicitors, that to the best of our knowledge those representations and warranties are true and correct. We hereby so advise, for the benefit of Canon, pursuant to article 9.1(b) of the Licence Agreement.

Yours faithfully



RUSSELL AND COMPANY

Level 3, Black Ink
77 Eagle Street
Brisbane 4000

Postal Address
GPO Box 1402
Brisbane 4001

Telephone: (07) 3004 8888
Fax: (07) 3004 8899
email: mail@russellandcompany.com.au
T26406_PGB.wpd

DEED OF ASSIGNMENT

THIS DEED made this 24th day of August 2003

BETWEEN **Vapotronics, Inc.**

of 2683 Via De La valle, #G402, Del Mar, California, 92014, United States of America

and

Ponwell Enterprises, Limited

of C/- Bryne Trust Limited, 37th Floor, Wu Chung House, 213 Queens Road East, Wanchai, Hong Kong

(hereinafter called "the Assignors") of the one part

and **InJet Digital Aerosols Limited** (ABN 26 104 014 379)

of Level 9, Avaya House, 123 Epping Road, New South Wales, Australia 2113
(hereinafter called "the Assignee") of the other part

WHEREAS

- (a) The Assignors are the registered owner of the patent applications in the attached Schedule A ("the patent applications").
- (b) The parties have agreed on the sale and transfer of the patent applications, the inventions the subject-matter thereof and the right to apply for or obtain corresponding Letters Patent for the inventions and the priority thereof in any country of the world to the Assignee for the consideration hereinafter appearing.

NOW THIS DEED WITNESSES as follows:-

1. In pursuance of the said agreement and in consideration of the sum of **ONE DOLLAR** (\$1.00) (the receipt whereof is hereby acknowledged) the Assignors as Beneficial Owners **HEREBY ASSIGNS** unto the Assignee **ALL THE BENEFIT** of the patent applications, **THE INVENTIONS** the subject-matter thereof, **THE RIGHT TO APPLY** for corresponding Letters Patents in any other country including the benefit of the priority dates, **THE RIGHT TITLE AND INTEREST** in the same and **ALL THE RIGHTS** powers liberties and immunities arising or to arise therefrom **TO HOLD** unto the Assignee absolutely.
2. The Assignors **HEREBY UNDERTAKE** at the expense of the Assignee to do all acts and execute all documents necessary or desirable for further assuring the title of the Assignee to the patent applications and the inventions the subject-matter thereof to the

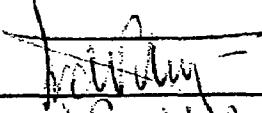
Assignment - Vapotronics & Ponwell to InJet - Vapotronics & Ponwell to InJet


intent that any Letters Patents shall issue or be recorded in the name of the Assignee and in particular in regard to the patent applications or any corresponding applications in any other country of the world for which the Assignee may apply the Assignors will do all acts, execute all documents and procure the making of any declarations or oaths necessary or required by law and will comply with any other matter or thing and in case of default the Assignors **HEREBY APPOINT** the nominee of the Assignee Attorney to the Assignors for such purpose.

3. All fees, costs and expenses connected with obtaining the grant of the Letters Patents in any country including all expenses incurred in making any amendments required in the complete specification and in connection with any opposition to the said grant shall be borne and paid by the Assignee.

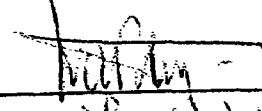
IN WITNESS WHEREOF Ponwell Enterprises, Limited have caused its Common Seal to be hereunto affixed, authorised representatives of Vapotronics, Inc. have set their hands hereunto and InJet Digital Aerosols Limited has caused its Common Seal to be hereunto affixed as of the day and year first above written.

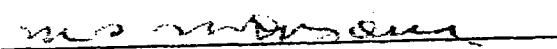
For and on behalf of
Vapotronics, Inc.


Full Name: Ronald Bruce van der Pluijm
Office: Director


Full Name: Michael Blaxius
Office: Director

THE COMMON SEAL of
Ponwell Enterprises, Limited
was hereunto affixed in the presence of:


Full Name: Ronald Bruce van der Pluijm
Office: Director


Full Name: Michael Blaxius
Office: Director

Assignment - Vapotronics & Ponwell to InJet - Vapotronics & Ponwell to InJet

THE COMMON SEAL of

InJet Digital Aerosols Limited

was hereunto affixed in the presence of:

[Signature]

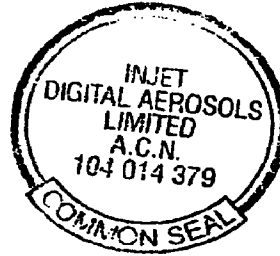
Full Name: Stephen Jones

Office: Chairman

[Signature]

Full Name: Raymond D. Jones

Office: Director



Assignment - Vapotronics & Ponwell to InJet - Vapotronics & Ponwell to InJet

SCHEDULE A

Country	Application No.	BSW Ref.	InJet Ref.	Agent and their Ref.
PCT	PCT/US01/21943	39606WOP00	PCT3-WO	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00390
Japan	2002-508497	39606JPP00	PCT3-JP	ONDA TECHNO Intl. Patent Attys Ref: PF-3610
Europe	01957135.5 (publication No. 1322357)	39606EPP00	PCT3-EP	D. Young & Co. Ref: P016057.EP WIL YMG

Assignment - Vapotronics & Ponwell to InJet - Vapotronics & Ponwell to InJet

DEED OF ASSIGNMENT

THIS DEED made this 29th day of August 2003

BETWEEN Ponwell Enterprises, Limited

of C/- Bryne Trust Limited, 37th Floor, Wu Chung House, 213 Queens Road
East, Wanchai, Hong Kong
(hereinafter called "the Assignor") of the one part

and InJet Digital Aerosols Limited (ABN 26 104 014 379)
of Level 9, Avaya House, 123 Epping Road, North Ryde, New South Wales,
2113, Australia
(hereinafter called "the Assignee") of the other part

WHEREAS

- (a) The Assignor is the registered owner of the patents and applications for patents in the attached Schedule A ("the patents and applications").
- (b) The parties have agreed on the sale and transfer of the patents and applications, the inventions the subject-matter thereof and the right to apply for or obtain corresponding Letters Patents for the inventions and the priority thereof in any country of the world to the Assignee for the consideration hereinafter appearing.

NOW THIS DEED WITNESSES as follows:-

1. In pursuance of the said agreement and in consideration of the sum of *ONE DOLLAR* (\$1.00) (the receipt whereof is hereby acknowledged) the Assignor as Beneficial Owner **HEREBY ASSIGNS** unto the Assignee **ALL THE BENEFIT** of the patents and applications, **THE INVENTION(S)** the subject-matter thereof, **THE RIGHT TO APPLY** for corresponding Letters Patents in any other country including the benefit of the priority dates, **THE RIGHT TITLE AND INTEREST** in the same and **ALL THE RIGHTS** powers liberties and immunities arising or to arise therefrom **TO HOLD** unto the Assignee absolutely.
2. The Assignor **HEREBY UNDERTAKES** at the expense of the Assignee to do all acts and execute all documents necessary or desirable for further assuring the title of the Assignee to the patents and applications and the inventions the subject-matter thereof to the intent that any Letters Patents shall issue or be recorded in the name of the Assignee and in particular in regard to the patent applications or any corresponding applications in

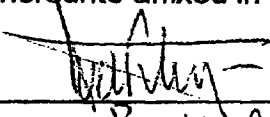
any other country of the world for which the Assignee may apply the Assignor will do all acts, execute all documents and procure the making of any declarations or oaths necessary or required by law and will comply with any other matter or thing and in case of default the Assignor *HEREBY APPOINTS* the nominee of the Assignee Attorney to the Assignor for such purpose.


3. All fees, costs and expenses connected with obtaining the grant of the Letters Patents in any country including all expenses incurred in making any amendments required in the complete specification and in connection with any opposition to the said grant shall be borne and paid by the Assignee.

IN WITNESS WHEREOF the Assignor has caused its Common Seal to be hereunto affixed and the Assignee has caused its Common Seal to be hereunto affixed as of the day and year first above written.

THE COMMON SEAL of
Ponwell Enterprises, Limited

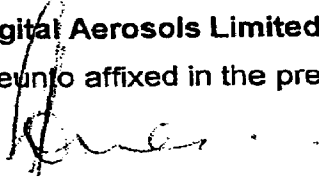
was hereunto affixed in the presence of:

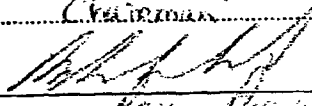

Full Name: Ronald Anke van der Nijs
Office: Director

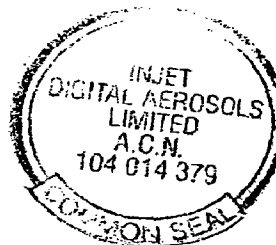

Full Name: Michael Menace
Office: Director

THE COMMON SEAL of
InJet Digital Aerosols Limited

was hereunto affixed in the presence of:


Full Name: Stephen Jones
Office: Chairman


Full Name: Ron Thorne
Office: Director



Assignment - Ponwell to InJet - Ponwell to InJet

SCHEDULE A

Country	Official No.	BSW Ref	InJet Ref	MFSB Ref
Australia	Patent No. 677081	17508.80	PCT1- AU	
Brazil	Patent No. PI9406968-9	17508.01	PCT1-BR1	Dannemann Siemsen Bigler & Ipanema Moreira Ref: P-83.997
Canada	Application No.2165961	17508.02	PCT1-CA	Gowling Lafleur Henderson LLP Ref: 80969-049-PCT
China	Application No. 94192906.X	17508.03	PCT1-CN	CCPIT Patent and Trademark Law Office Ref: IIM 951574
Japan	Application No. 503162/1995	17508.04	PCT1-JP	Asahina & Co Ref: JP-9219 PCT
South Korea	Patent No. 314148	17508.05	PCT1-KR	T.W. Kim International Patent & Law Office Ref: P-821
United States of America	Patent No. 5,894,841	17508.06	PCT1-US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00030
Europe designating France, Germany, Italy, Sweden, Spain, United Kingdom, Austria, Belgium, Denmark, Ireland, Greece, Netherlands, Portugal, Switzerland	Application No. 94919466.6	17508.07	PCT1-EP	Marks & Clerk Ref: GAD/ig/G02448
Europe	Application No.00914714.1	39561EPP00	PCT2-EP	D. Young & Co. Ref: P012337EP PP
United States of America	Patent No. 6,196,218	39561USP00	PCT2-US1	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00050
United States of America	Patent No. 6,443,146	39561USP01	PCT2-US2	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00120
United States of America	Application No. 09/614,196	39606USP00	PCT3-US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00260
United States of America	Application No. 09/595,722	39759USP00	6 -US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00170
United States of America	Application No. 10/062,174	40103USP00	7 -US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00416
United States of America	Application No. 10/153,422	38567USP00	PCT-4-US	Paul, Hastings, Janofsky & Walker Ref: 030903.0004.UTL

Assignment - Ponwell to InJet - Ponwell to InJet

DEED OF ASSIGNMENT

THIS DEED made this 29th day of August 2003

BETWEEN **Vapotronics, Inc.**

of 2683 Via De La valle, #G402, Del Mar, California, 92014, United States of America

(hereinafter called "the Assignor") of the one part

and **InJet Digital Aerosols Limited (ABN 26 104 014 379)**

of Level 9, Avaya House, 123 Epping Road, North Ryde, New South Wales, 2113, Australia

(hereinafter called "the Assignee") of the other part

WHEREAS

- (a) The Assignor is the registered owner of the patent applications in the attached Schedule A ("the patent applications").
- (b) The parties have agreed on the sale and transfer of the patent applications, the inventions the subject-matter thereof and the right to apply for or obtain corresponding Letters Patents for the inventions and the priority thereof in any country of the world to the Assignee for the consideration hereinafter appearing.

NOW THIS DEED WITNESSES as follows:-

1. In pursuance of the said agreement and in consideration of the sum of *ONE DOLLAR* (\$1.00) (the receipt whereof is hereby acknowledged) the Assignor as Beneficial Owner *HEREBY ASSIGNS* unto the Assignee *ALL THE BENEFIT* of the patent applications, *THE INVENTIONS* the subject-matter thereof, *THE RIGHT TO APPLY* for corresponding Letters Patents in any other country including the benefit of the priority dates, *THE RIGHT TITLE AND INTEREST* in the same and *ALL THE RIGHTS* powers liberties and immunities arising or to arise therefrom *TO HOLD* unto the Assignee absolutely.
2. The Assignor *HEREBY UNDERTAKES* at the expense of the Assignee to do all acts and execute all documents necessary or desirable for further assuring the title of the Assignee to the patent applications and the inventions the subject-matter thereof to the intent that any Letters Patents shall issue or be recorded in the name of the Assignee and in particular in regard to the patent applications or any corresponding applications in any other country of the world for which the Assignee may apply the Assignor will do all

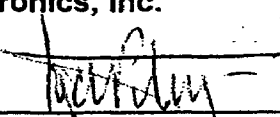
Assignment - Vapotronics to InJet - Vapotronics to InJet


acts, execute all documents and procure the making of any declarations or oaths necessary or required by law and will comply with any other matter or thing and in case of default the Assignor **HEREBY APPOINTS** the nominee of the Assignee Attorney to the Assignor for such purpose.

3. All fees, costs and expenses connected with obtaining the grant of the Letters Patents in any country including all expenses incurred in making any amendments required in the complete specification and in connection with any opposition to the said grant shall be borne and paid by the Assignee.

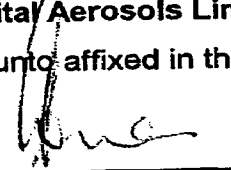
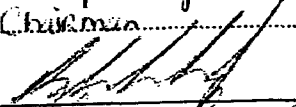
IN WITNESS WHEREOF authorised representatives of the Assignor have set their hands hereunto and the Assignee has caused its Common Seal to be hereunto affixed as of the day and year first above written.

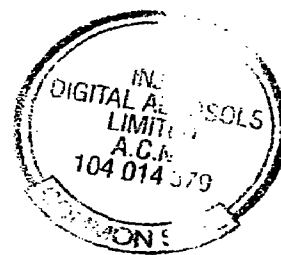
For and on behalf of
Vapotronics, Inc.


Full Name: Ronald Andre van der Pluijm
Office: Director


Full Name: Michael Braxator
Office: Director

THE COMMON SEAL of
InJet Digital Aerosols Limited
was hereunto affixed in the presence of:


Full Name: Stephen Jones
Office: Chairman

Full Name: Roger Williams
Office: Director



SCHEDULE A

Country	Application Nos.	BSW Ref.	InJet Ref.	Agent and their Ref.
PCT	PCT/US02/16233	38567WOP00	PCT4-WO	Paul, Hastings, Janofsky & Walker LLP Ref: 030903.0007.WO
China	Application No. 02802360.9	38567CNP00	PCT4-CN	China Patent Agent (HK) Limited Ref: CPCH0360163P
Singapore	Application No. 200300200-3	38567SGP00	PCT4-SG	Lee & Lee Ref: RT/MT/KCP/cwl/2003000268
United States of America	Application No. 10/080504	40104USP00	PCT5-US	Paul Hastings Janofsky & Walker LLP Ref: 030903.0004.UTL

Assignment - Vapotronics to InJet - Vapotronics to InJet



DIGITAL AEROSOLS

10 September 2003

Attention: Mr Toshio Kato
 Canon Inc.
 Corporate Intellectual Property and
 Legal Headquarters
 30-2, Shimomaruko 3-chome, Ohta-ku,
 Tokyo 146-8501
 Japan

Dear Sirs:

Representations & Warranties by VAPOTRONICS

As per the request made by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET"), Vapotronics, Inc., a Delaware corporation having its principal place of business at Suite 330, 12555 High Bluff Drive, San Diego, California 92130, U.S.A. ("VAPOTRONICS") hereby represents and warrants to Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") that the following matters are true and correct as of 10 September, 2003. The capitalized term below has the same meaning assigned thereto under a certain LICENSE AGREEMENT fully executed by INJET and CANON as of April 1, 2003:

- (a) VAPOTRONICS is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware;
- (b) VAPOTRONICS completed filings of patent applications in the United States and any other countries for any and all of its inventions with respect to or applicable to the LICENSED PRODUCTS. Such patents and patent applications constitute the LICENSED PATENTS;
- (c) VAPOTRONICS caused all of its SUBSIDIARIES and affiliates (excluding PONWELL) to duly assign to VAPOTRONICS all patents and patent applications then filed or owned or controlled by them which if owned or controlled by VAPOTRONICS would qualify as the LICENSED PATENTS. As of the date hereof, VAPOTRONICS had good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS. VAPOTRONICS fully terminated any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) granted to any other person, firm or entity to use or explore any of the LICENSED PATENTS anywhere in the world;
- (d) VAPOTRONICS lawfully assigned all of the LICENSED PATENTS together with the right to claim for past damages to INJET as of 29 August, 2003 ("DATE OF ACQUISITION"),

www.vapotronics.com
 Tel: 609.9222
 Tel: 609.9202

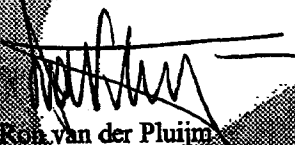


DIGITAL AEROSOLS
a.k.a. Vapotronics

and has completed filing of applications for record of such assignment of the LICENSED PATENTS to INJET at the U.S.P.T.O or any other relevant patent offices in the countries involved. Such assignment has not (i) violated (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any provisions of the charter or bylaws of VAPOTRONICS, or (ii) conflicted with, resulted in a breach of, constituted a default under, resulted in the acceleration of, created in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which VAPOTRONICS is a party or by which it is bound or to which any of its assets is subject;

- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of VAPOTRONICS, is threatened to be pending against VAPOTRONICS which challenges the legality, validity or enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6); and
- (f) VAPOTRONICS never declared suspension of its payments generally when due. VAPOTRONICS has not taken any corporate action nor, to the best knowledge of such member, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of such member.

Very truly yours,
Vapotronics, Inc.


Ron van der Pluijm
Suite 330, 12555 High Bluff Drive
San Diego, California 92130
U.S.A.

www.vapotronics.com
t. 609 509.9222
f. 609 509.9202

Ponwell Enterprises Ltd

10 September 2003

Attention: Mr Toshio Kato
Canon Inc.
Corporate Intellectual Property and
Legal Headquarters
30-2, Shimomaruko 3-chome, Ohta-ku,
Tokyo 146-8501
Japan

Dear Sirs:

REPRESENTATIONS & WARRANTIES BY PONWELL

As per the request made by Injet Digital Aerosols Limited, an Australian corporation having its principal place of business at Avaya House, 123 Epping Road, North Ryde, Sydney, New South Wales, Australia ("INJET"), Ponwell Enterprises Ltd, a corporation of the British Virgin Islands having its principal place of business at The Lake Building, 1st Floor Wickhams Cay, Road Town, Tortola, British Virgin Islands ("PONWELL") hereby represents and warrants to Canon Inc., a Japanese corporation having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan ("CANON") that the following matters are true and correct as of 10 September, 2003. The capitalized term below has the same meaning assigned thereto under a certain LICENSE AGREEMENT fully executed by INJET and CANON as of April 1, 2003:

- (a) PONWELL is a corporation duly organized, validly existing, and in good standing under the laws of the British Virgin Islands;
- (b) PONWELL completed filings of patent applications in the United States and any other countries for any and all of its inventions with respect to or applicable to the DDS PRODUCTS, CARTRIDGE or the DDS DRUGS. Such patents and patent applications constitute the LICENSED PATENTS;
- (c) PONWELL caused all of its SUBSIDIARIES and affiliates to dully assign to PONWELL all patents and patent applications then filed or owned or controlled by them which if owned or controlled by PONWELL would qualify as the LICENSED PATENTS. PONWELL has acquired from all patents and patent applications which qualify as the LICENSED PATENTS. As of the date hereof, PONWELL had good and marketable title to the LICENSED PATENTS, free and clear of any lien, mortgage or security interest in, or any encumbrance or license under the LICENSED PATENTS. PONWELL fully terminated any license (exclusive or non-exclusive or in the form of non-assertion, with or without sublicense right) granted to any other person, firm or entity to use or explore any of the LICENSED PATENTS anywhere in the world;
- (d) PONWELL lawfully assigned all of the LICENSED PATENTS together with the right to claim for past damages to INJET as of 29 August, 2003 ("DATE OF ACQUISITION"), and has completed filing of applications for record of such assignment of the LICENSED PATENTS to INJET at the U.S.P.T.O or any other relevant patent offices in the countries involved. Such assignment has not (i) violated (x) any applicable laws (federal, state or local), governmental rules and regulations or judicial orders or judgments or (y) any

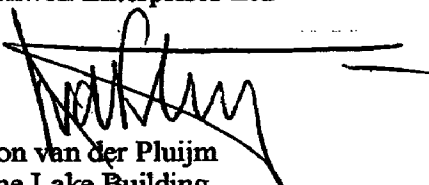
The Lake Building,
1st Floor Wickhams Cay
Road Town, Tortola, British Virgin Islands

Ponwell Enterprises Ltd

provisions of the charter or bylaws of PONWELL, or (ii) conflicted with, resulted in a breach of, constituted a default under, resulted in the acceleration of, created in any party the right to accelerate, terminate, modify or cancel, or require any notice, consent or approval from any person under any agreement, contract, license, instrument or other arrangement to which PONWELL is a party or by which it is bound or to which any of its assets is subject;

- (e) No action, suit, proceeding, hearing, investigation, charge, complaint, claim or demand is pending or, to the best knowledge of PONWELL, is threatened to be pending against PONWELL which challenges the legality, validity or enforceability of any of the LICENSED PATENTS except for the opposition lodged against European Patent No. 706352 (Application No. 94919466.6); and
- (f) PONWELL never declared suspension of its payments generally when due. PONWELL has not taken any corporate action nor, to the best knowledge of such member, have any other steps been taken or legal proceedings been started or threatened against it for its winding up, dissolution, administration or reorganization or for the appointment of a receiver, administrator, trustee or similar officer with respect to all or material part of the assets or revenues of such member.

Very truly yours,
Ponwell Enterprises Ltd



Ron van der Pluijm
The Lake Building
1st Floor Wickhams Cay
Road Town
Tortola
British Virgin Islands

The Lake Building,
1st Floor Wickhams Cay
Road Town, Tortola, British Virgin Islands

GUARANTEE

TO: Canon Inc, a Japanese corporation registered in the name of Canon Kabushiki Kaisha
under the laws of Japan
30-2 Shimomaruko 3-Chome
Ohta-Ku
Tokyo 146-8501 JAPAN

Each of Psiron Limited and Australian Technology Innovation Fund Limited hereby jointly and severally guarantee the due performance by Injet Digital Aerosols Limited of its obligations pursuant to a Licence Agreement dated 1 April 2003 entered into between it and Canon Inc, including (without limitation):-

1. The grant of the exclusive licence pursuant to article 2.1 thereof; and
2. The refund of the initial fee to Canon pursuant to article 13.3 thereof.

This guarantee is executed on behalf of each of Psiron Limited and Australian Technology Innovation Fund Limited respectively by their duly authorised representatives, each of whom hereby respectively warrant that they have authority to bind each of Psiron Limited and Australian Technology Innovation Fund Limited respectively hereto.

Executed this 15th day of September 2003 on behalf of)
PSIRON LIMITED by [Signature])
who holds the position of Managing Director)

by resolution of the Board

Executed this 15th day of September 2003 on behalf of)
AUSTRALIAN TECHNOLOGY INNOVATION FUND)
LIMITED by [Signature])
who holds the position of CHAIRMAN OF DIRECTORS)

T26407_PGB

RUSSELL AND COMPANY

Solicitors

Our Ref: Mr Betros
Your Ref: Mr Kato

9 October, 2003

Mr Toshio Kato
Canon Inc
Corporate Intellectual Property and Legal Headquarters
30-2 Shimomaruko 3-chome
Ohta-ku
TOKYO 416-8501

Dear Sir

Licence Agreement with Injet Digital Aerosols Limited

We act for Injet Digital Aerosols Limited. We note that our client has entered into a licence agreement with your company dated 1 April 2003.

We have considered the certificates and guarantees provided to your company by each of our client, Vapotronics Inc, Ponwell Enterprises Limited, Psiron Limited and Australian Technology Innovation Fund Limited pursuant to article 9.1 of the licence agreement.

We are satisfied that each of the persons purporting to be authorised officers of each of these companies (being Mr Jones in the case of ATIF and Mr van der Pluijm in the case of the other companies) has been duly appointed to the board of each company and is, therefore, lawfully capable of binding each company thereto.

Yours faithfully



RUSSELL AND COMPANY

Level 3, Black Ink
77 Eagle Street
Brisbane 4000

Postal Address
G P O Box 1402
Brisbane 4001

Telephone: (07) 3004 8888
Fax: (07) 3004 8899
email: mail@russellandcompany.com.au
T26557_PGB.wpd



FAX NO: +81 3 3758 8163 DATE: 13/10/2003 NO. OF PAGES: 4

(Including this one)

COMPANY: Mr Toshio Kato
Canon Inc

FROM: Ron van der Pluijm

CC:

MESSAGE:

Dear Mr Kato,

I refer for the attached letter and documents to the assignment of the following patent:

Yours sincerely,
Injet Digital Aerosols Limited

Ron van der Pluijm
Director

Level 9 Avaya House 123 Epping Road North Ryde NSW 2113 Australia
(t) +61 2 8875 7947 (f) +61 2 8875 (e) injet@injet.com.au



DIGITAL AEROSOLS

13 October, 2003

Mr Toshio Kato
Deputy Senior General Manager
Contracts and Licensing Center
Corporate Intellectual Property and
Legal Headquarters
Canon Inc
30-2 Shimomaruko 3-Chome
Ohta-ku
Tokyo 146-8501

Dear Mr Kato,

Re. Assignment of Korean patent

I refer to your letter dated 10 October 2003. We have attached a copy of the deed of assignment between Ponwell and InJet. Please find attached a copy.

I have also attached a copy of the Deed of Assignment lodged with the Korean Patent office. You will note that the patent registration number on that deed is correct.

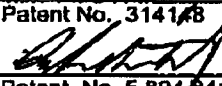
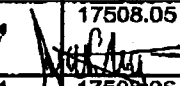
Yours sincerely,
In Jet Digital Aerosols Limited

A handwritten signature in dark ink, appearing to read "Ron van der Pluijm".

Ron van der Pluijm
Director

Level 9 Avaya House 123 Epping Road North Ryde NSW 2113 Australia
(t) +61 2 8875 7947 (f) +61 2 8875 (e) injet@injet.com.au

SCHEDULE A

Country	Official No.	BSW Ref	InJet Ref	MFSB Ref
Australia	Patent No. 677081	17508.80	PCT1- AU	
Brazil	Patent No. PI9406968-9	17508.01	PCT1-BR1	Dannemann Siemsen Bigler & Ipanema Moreira Ref: P-83.997
Canada	Application No.2165961	17508.02	PCT1-CA	Gowling Lafleur Henderson LLP Ref: 80969-049-PCT
China	Application No. 94192906.X	17508.03	PCT1-CN	CCPIT Patent and Trademark Law Office Ref: IIM 951574
Japan	Application No. 503162/1995	17508.04	PCT1-JP	Asahina & Co Ref: JP-9219 PCT
South Korea	Patent No. 314178 	17508.05	PCT1-KR	T.W. Kim International Patent & Law Office Ref: P-821
United States of America	Patent No. 5,894,841 	17508.06	PCT1-US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00030
Europe designating France, Germany, Italy, Sweden, Spain, United Kingdom, Austria, Belgium, Denmark, Ireland, Greece, Netherlands, Portugal, Switzerland	Application No. 94919466.6	17508.07	PCT1-EP	Marks & Clerk Ref: GAD/ig/G02448
Europe	Application No.00914714.1	39561EPP00	PCT2-EP	D. Young & Co. Ref: P012337EP PP
United States of America	Patent No. 6,196,218	39561USP00	PCT2-US1	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00050
United States of America	Patent No. 6,443,146	39561USP01	PCT2-US2	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00120
United States of America	Application No. 09/614,196	39606USP00	PCT3-US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00260
United States of America	Application No. 09/595,722	39759USP00	6 -US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00170
United States of America	Application No. 10/062,174	40103USP00	7 -US	Marsh Fischmann & Breyfogle, LLP Ref: 44902-00416
United States of America	Application No. 10/153,422	38667USP00	PCT-4-US	Paul, Hastings, Janofsky & Walker Ref: 030903.0004.UTL

500195317_1.DOC - Ponwell to InJet

DEED OF ASSIGNMENT

Patent(s) to be assigned: Korean Patent Registration No.314138

We/I, (a) Ponwell Enterprises Limited do hereby declare that we/I, as one of the owner of the above patent right, have assigned all my/our share of the above patent onto (b) InJet Digital Aerosols Limited residing at (c) Level 9, Avaya House, 123 Epping Road, North Ryde, New South Wales, 2113, Australia as of (d) _____ so far as Korea is concerned.

Dated this 16 day of September, 2003

Assignor

Name: Ponwell Enterprises Limited
Address: C/-Bryne Trust Company Limited, 37th Floor, Wu Chung House, 213 Queens Road East, Wanchai, Hong Kong

Name of the Assignor : Ronald Andrew van der Pligst

By _____

(Signature of the Assignor)

Assignee

Name: InJet Digital Aerosols Limited
Address: Level 9, Avaya House, 123 Epping Road, North Ryde, New South Wales, 2113, Australia

Name of the Assignee : Sam De Groot

By _____

(Signature of the Assignee)

VIA FACSIMILE
CONFIRMATION BY AIRMAIL

October 23, 2003

Mr. Ron van der Pluijm
Chief Executive Officer
Injet Digital Aerosols Limited
Level 9 Avaya House 123 Epping Road
North Ryde NSW 2113
Australia

Re License Agreement

Dear Mr. van der Pluijm:

Pursuant to Section 9.1 of the License Agreement executed by Injet Digital Aerosols Limited and Canon Inc. and dated August 27, 2003 ("License Agreement"), we hereby declare a closing of the licensing contemplated in Article 2 of the License Agreement. Accordingly, the EFFECTIVE DATE as defined in Section 1.10 of the License Agreement shall be October 23, 2003.

In order to comply with Section 9.1 of the License Agreement, we understand you warrant that the following documents sent to us shall be deemed as effective and valid as of October 23, 2003.

- 1) Injet Certificate dated September 10, 2003;
- 2) Opinion letter from Russell and Company to Injet dated September 16, 2003;
- 3) Copy of the Assignment of Patents as follows:
 - 3-1) Deed of Assignment executed by Vapotronics, Inc./Ponwell Enterprises, Limited and Injet Digital Aerosols Limited and dated August 29, 2003;
 - 3-2) Deed of Assignment executed by Ponwell Enterprises, Limited and Injet Digital Aerosols Limited and dated August 29, 2003 (including amendment to South Korean Patent Number listed in Schedule A attached thereto);
 - 3-3) Deed of Assignment executed by Vapotronics, Inc. and Injet Digital Aerosols Limited and dated August 29, 2003;

Mr. Ron van der Pluijm

October 23, 2003

Page 2

- 4) VTI Certificate dated September 10, 2003;
- 5) Ponwell Certificate dated September 10, 2003;
- 6) Psiron and ATIF Guarantee dated September 15, 2003; and
- 7) Letter from Russell and Company to Canon dated October 9, 2003.

Sincerely yours,

Canon Inc.



Nobuyoshi Tanaka, Ph.D.

Managing Director

Group Executive

Corporate Intellectual Property and

Legal Headquarters