

Docket No.: CHISSO-LICENSE

Form 1595 (Rev. 09/04)	<b>RECORDATION FORM COVER SHEET</b>	U. S. Department of Commerce Patent and Trademark Office
<b>PATENTS ONLY</b>		

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

<p>1. Name of conveying party(ies) with the execution date:</p> <p style="text-align: center;"><b>CHISSO CORPORATION</b>, January 29, 2007</p>	<p>2. Name/address of receiving Party(ies)</p> <p style="text-align: center;"><b>CHISSO TAIWAN CO., LTD.</b></p> <p style="text-align: center;">NO. 6, DALI 3<sup>RD</sup> RD., SHANHUA TOWNSHIP, TAINAN COUNTY 741, TAIWAN, R.O.C.</p>
--	---

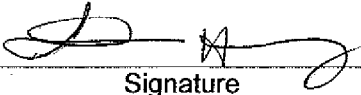
<p>3. Nature of conveyance:</p> <p> <input type="checkbox"/> Assignment      <input type="checkbox"/> Security Agreement  <input type="checkbox"/> Merger            <input type="checkbox"/> Change of Name  <input type="checkbox"/> Reassignment    <input checked="" type="checkbox"/> Other         </p> <p style="text-align: center;">Patent License Agreement</p>	<p>Add'l names of receiving parties Attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
---	---

4. Application number(s) or patent number(s):

<p>A. Patent Application No. (s)</p> <p style="text-align: center;">Additional number attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>B. Patent No.(s)</p> <p style="text-align: center;"><b>See Exhibit 1</b></p>
---	---

<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p style="text-align: center;"><b>J. C. Patents</b> 4 Venture, Suite 250 Irvine, CA 92618 (949) 660-0761</p>	<p>6. Total No. of applications and patents involved:</p> <p style="text-align: center;">THREE ( 3 )</p> <p>7. Total fee(37CFR§3.41): \$ 120.00</p> <p> <input type="checkbox"/> Authorized to be charged by credit card  <input checked="" type="checkbox"/> Authorized to be charge to deposit account  <input type="checkbox"/> Enclosed  <input type="checkbox"/> None required (government interest not affecting title)         </p> <p>8. Payment Information</p> <p>a. Credit Card Last 4 Numbers _____ Expiration Date _____</p> <p>b. Deposit Account Number <u>50-0710</u> Authorized User Name <u>Jiawei Huang</u></p>
---	--

Atty Docket No.: CHISSO-LICENSE

<p>9. Statement and Signature:</p> <p style="text-align: center;">To the best of my knowledge and belief, the forging information is true and Correct and any attached copy is a true copy of the original document.</p>			
<p>Jiawei Huang</p> <p>Name of person Signing Registration No. 43,330</p>	<p style="text-align: center;"> Signature</p>	<p style="text-align: center;"><u>3/2/2007</u> Date</p>	<p>Total number of pages including cover sheet, attachments, and documents: 3</p>

CH \$120.00 500710 6875482

**PATENT**

**Exhibit 1**

	<b>Patent No.</b>	<b>Issue Date</b>	<b>Application No.</b>	<b>Assignees</b>
1	6,875,482	April 05, 2005	10/726,653	(1) Chisso petrochemical Corporation (2) Chisso Corporation
2	5,961,881	October 05, 1999	08/966,417	(1) Chisso Corporation
3	5,645,759	July 08, 1997	524,441	(1) Chisso Corporation

**PATENT****REEL: 018961 FRAME: 0128**

## PATENT LICENSE AGREEMENT

This Agreement is made and entered into this 1st day of February, 2007, by and between

Chisso Corporation, a corporation organized and existing under the laws of Japan, having its principal place of business at 2-2-1 Otemachi, Chiyoda-ku, Tokyo, Japan (hereinafter referred to "CHISSO"),

Chisso Taiwan Co., Ltd., a corporation organized and existing under the laws of Republic of China, having its principal place of business at No.6, Dali 3<sup>rd</sup> Rd., Shanhua Township, Tainan County 741, the Republic of China (hereinafter referred to as "Chisso Taiwan");

### WITNESSETH:

WHEREAS, CHISSO owns certain patent rights (as later defined herein) relating to Liquid Crystal Mixture (hereinafter referred to as "Products") and has the right to grant licenses under such patent rights;

WHEREAS, Chisso Taiwan desires to obtain a right to use CHISSO's patent rights for the manufacture, use and sale of the Products; and,

WHEREAS, CHISSO is willing to grant and provide Chisso Taiwan a right to use such patent rights for the manufacture, sale and use of such Products;

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, the parties hereby agrees as follows:

### Article 1. Definitions

In this Agreement, each of the following terms shall have the respective meaning set forth below, unless otherwise required by context:

- (1) "Plant" shall mean the manufacturing facility consisting of building, shop, machinery, machines equipment and other facilities, which is constructed, improved and modified by Chisso Taiwan at No.3, Dali 3<sup>rd</sup> Rd., Shanhua Township, Tainan County 741, the Republic of China for the manufacture of Products under this Agreement.
- (2) "Licensed Patents" shall mean the Japanese and its Family patents and/or patent pending relating to Products which are listed in Exhibit 1 attached hereto.

- (3) "Licensed Products" shall mean any Products which are covered by at least one (1) issued claim of Licensed Patents in the country in which such Products are made, used, sold or otherwise disposed of.
- (4) "Gross Sales Price" shall mean the gross invoice price of the Licensed Product as invoiced by Chisso Taiwan, including (a) custom duties, (b) transportation, packaging, shipping expenses and insurance on shipments to customers and warehouse charges, and (c) credits allowed for the returned Products.

#### Article 2. Grant of License

- 2-1 Subject to the terms and conditions set forth herein, CHISSO hereby grants to Chisso Taiwan:
- (1) a non-exclusive and non-transferable license and right to use the Licensed Patents for the production of the Licensed Products at the Plant; and
  - (2) a non-exclusive and non-transferable license and right to sell and use the Licensed Products produced at the Plant all over the world.
- 2-2 The license granted to Chisso Taiwan under this Article 2-1 shall include the right to sublicense to Chisso Taiwan's customers and their customers all over the world.
- 2-3 CHISSO warrants that Chisso Petrochemical Corporation, an affiliate of CHISSO and part owner of the Licensed Patents, has consented for CHISSO to grant a non-exclusive license to Chisso Taiwan under this Article 2-1.

#### Article 3. Registration of License

- 3-1 Upon request of Chisso Taiwan, CHISSO shall register a non-exclusive license allowed under Article 2 at Patent Office of each country in which Licensed Patents are granted.
- 3-2 Chisso Taiwan shall submit all documents required for registering a non-exclusive license allowed under Article 2 to CHISSO and shall bear all expenses required for such registering.
- 3-3 In the event that patent applications among the Licensed Patents are granted, upon Chisso Taiwan's request, CHISSO shall register a non-exclusive license for such patent applications.

#### Article 4. Royalty and Payment Terms

- 4-1 In consideration of the rights and licenses granted to Chisso Taiwan under the Articles 2 hereof, Chisso Taiwan shall pay to CHISSO the running royalty (hereinafter referred to as "Royalty"). The Royalty rate shall be five percent (5 %) of the Gross Sales Price of all Licensed Products made, used, sold by Chisso Taiwan.
- 4-2 The Royalty specified in Article 4-1 shall be computed semi-annually as of the last

day of June and December of each year during the terms of this Agreement, and Chisso Taiwan shall pay to CHISSO total amount of the Royalty thus computed within three (3) months after the end of the relevant semi-annual period.

- 4-3 Notwithstanding the conditions of Article 4-2, the Royalty which arises during a year 2007, shall be paid by Chisso Taiwan within sixth (6) months after the end of year 2007.

#### Article 5. Repayment

CHISSO shall not repay the Royalty paid by Chisso Taiwan to CHISSO under this Agreement for any reason.

#### Article 6. Accounting and Report

- 6-1 Within thirty (30) days after the end of June and December of each year during the term of this Agreement, Chisso Taiwan shall furnish CHISSO with a written statement specifying the number and Sales Price of Products sold by Chisso Taiwan during the preceding semi-annual period.
- 6-2 Chisso Taiwan shall keep true and accurate books and records containing all data and reasonably required for computation and verification of the amounts payable hereunder.
- 6-3 Chisso Taiwan shall, at the request of CHISSO, permit its personnel and/or an independent accountant designated by CHISSO to have access to, examine during ordinary business hours such records as may be necessary to verify or determine any Royalty, paid or payable, under this Agreement.

#### Article 7. Tax

Any taxes of whatever nature imposed or levied by the Republic of China on CHISSO in connection with the payment of Royalty to be paid under this Agreement shall be borne by CHISSO. In the event that Chisso Taiwan deducts and pays any such tax in connection with the payment of Royalty under this Agreement, Chisso Taiwan shall promptly send to CHISSO the official certificate of such tax payment.

#### Article 8. Infringement

In the event that the use of the Licensed Patents by Chisso Taiwan infringes any of intellectual property rights of any third party, CHISSO shall not be liable to those infringements, provided, however, that CHISSO shall, upon Chisso Taiwan's request, cooperate with Chisso Taiwan in the defense of such infringements.

**Article 9. Confidentiality**

- 9-1 Chisso Taiwan shall not disclose to any other person or entity any information disclosed by CHISSO, and shall not use for any purpose other than the purpose of this Agreement.
- 9-2 Notwithstanding the foregoing paragraph, Chisso Taiwan may disclose, in whole or in part, the information mentioned above to a limited number of its officers and employees or its sub-contractors or its distributors, on a need-to-know basis. Chisso Taiwan shall take all reasonable precautions to ensure that such officers, employees, sub-contractors and distributors shall comply with the obligations under this Article 9.
- 9-3 The obligations under this Article 9 shall not apply if such information :
- (1) was in the possession of Chisso Taiwan prior to CHISSO's disclosure;
  - (2) is or become public knowledge without any fault of Chisso Taiwan; or
  - (3) becomes available to Chisso Taiwan from a third party without any obligation of secrecy.

**Article 10. Terms**

This Agreement shall come into effect on the date first written above, and continue in full force and effective until the expiration of the Licensed Patents, unless terminated under Article 11, provided however, the obligations under the Article 9 shall survive and be effective for a period of five (5) years even after the termination of the Agreement..

**Article 11. Termination**

- 11-1 If Chisso Taiwan fails or refuses to perform any of its obligations under this Agreement, CHISSO shall notify Chisso Taiwan of such failure or refusal by Chisso Taiwan in writing and the parties shall consult with each other within thirty (30) days following the written notice. CHISSO shall have the right to terminate this Agreement, in the event Chisso Taiwan has not rectified such failure or refusal within sixty (60) days after CHISSO's written notice to Chisso Taiwan specifying the particulars of such failure or refusal.
- 11-2 If this Agreement is terminated by CHISSO pursuant to Article 11-1, Chisso Taiwan shall have no further right to use the Licensed Patents any more, and Chisso Taiwan shall make immediately all payments due or payable under Article 4 as of the time of such termination.
- 11-3 Unless otherwise provided in this Agreement, termination of this Agreement in accordance with this Article 11 shall neither:
- (1) relieve CHISSO or Chisso Taiwan of any other obligation arising from any act or omission committed prior to the effective date of such termination, nor
  - (2) relieve Chisso Taiwan of its confidentiality obligations under Article 9, nor

(3) relieve Chisso Taiwan of its obligation in respect of payments under this Agreement.

**Article 12. Assignment**

Neither party shall assign, transfer or otherwise dispose of this Agreement, or of any right or obligations hereunder without the prior written consent of the other party.

**Article 13. Governing Law**

This Agreement shall be governed, in all respects including validity, construction and performance, by and in accordance with the laws of Japan.

**Article 14. Arbitration**

All disputes arising out of, or in connection with this Agreement shall be settled through friendly consultations between both parties. Should such amicable settlement not be reached, then such claim, dispute or controversy shall be settled by binding arbitration. The arbitration shall take place in Tokyo, Japan, in accordance with the Commercial Arbitration Rules of the Japan Commercial Arbitration Association. The arbitration award shall be accepted by both parties as final and binding and both parties shall act accordingly.

**Article 15. Force Majeure**

None of the parties hereto shall be under any liability to any other party for any failure or delay in the performance of any of the terms of this Agreement if such a failure or delay has arisen from any cause including, but not limited to, acts of God, fire, flood, storm, earthquake, tidal wave, war, military operation, national emergency, hostilities, mobilization, blockade, embargo, revolution, riot, lockout, strike, any governmental law, regulation, decree, order, or any other cause beyond the control of the non-performing party.

**Article 16. Entire Agreement**

This Agreement embodies the entire understanding of the parties and supersedes all previous communications, representations or understandings, either oral or written, between the parties relating to the subject matter hereof.

**Article 17. Waiver**

Waiver of any breach of any provision hereof shall not be deemed to be a waiver of any other breach of said provision or any breach of any other provision hereof.

**Article 18. Amendment**

This Agreement may be amended or modified only by an instrument in writing of equal

formality signed by the duly authorized representatives of the respective party hereto.

**Article 19. Notice**

Any notice or communication with regard to this Agreement shall be sent by airmail, courier or facsimile addressed to the other party at its address given below and shall be deemed to have been given or made on the day when dispatched in the case of facsimile or when dispatched and supported by the date of postal stamp or by receipt of courier service in the case of airmail or courier. Each party may change its address to which notices and communications shall be directed from time to time by a written notice to the other party.

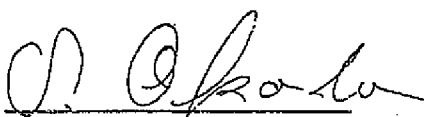
To Chisso Corporation  
Attention: Kanetsugu Terashima  
Address: 2-2-1 Otemachi, Chiyoda-ku, Tokyo 100-8105, Japan  
Facsimile: +81-3-3243-6069

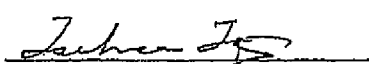
To Chisso Taiwan Co., Ltd.  
Attention: Yoshihiro Fusamoto  
Address: No.6, Dall 3<sup>rd</sup> Rd., Shanhua Township, Tainan County 741, the Republic of China  
Facsimile: +886-6-505-7711

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in duplicate by their duly authorized representatives as of the date first above written, each party retaining one copy thereof respectively.

For Chisso Corporation

For Chisso Taiwan Co., Ltd.

By:   
Name: Shun'ichi Okada  
Title: Chief Operating Officer  
President

By:   
Name: Tsukasa Tajii  
Title: President

Date: 2007. 1. 29.

Date: 2007. 1. 31



WITNESS

For Chisso Petrochemical Corporation

By: 

Name: Shun'ichi Okada

Title:

President

Date: 2007. 1. 29.