

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Dmitri Shmunk	06/25/2004
Dmitrij Schmunk	06/25/2004
Dmitri Chmounk	06/25/2004
RECEIVING PARTY DATA	
Name:	QDesign Corporation
Street Address:	Suite 1220 Airport Square, 1200 West 73rd Ave.
Internal Address:	QDesign Corporation
City:	Vancouver
State/Country:	CANADA
Postal Code:	V6P 6G5
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	11452001
CORRESPONDENCE DATA	
Fax Number:	(818)827-2470
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	818.706.3525
Email:	cody.dobson@dts.com
Correspondent Name:	William L. Johnson
Address Line 1:	5171 Calreton Drive
Address Line 2:	DTS, Inc.
Address Line 4:	Agoura Hills, CALIFORNIA 91301
ATTORNEY DOCKET NUMBER:	262-23-408
NAME OF SUBMITTER:	William L. Johnson
Total Attachments: 5	

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ASSIGNMENT AGREEMENT

This Assignment Agreement (this "Agreement") is made as of June 25, 2004 (the "Effective Date"), by and between Dmitri Chmounek, also known as Dmitriy Schmunk and Dmitry Shmunk ("Assignor"), in favor and for the benefit of, and with QDesign Corporation (the "Company"). Certain capitalized terms used herein but not defined in their initial context have the meanings set forth in Article II below.

RECITALS

WHEREAS Assignor and the Company are parties to that certain License Agreement dated as of September 30, 1997 (the "License Agreement"), relating to the Low Bit Rate Codec (the "Codec");

C. The stockholders of the Company have entered into an agreement with DTS Canada ULC ("DTS") of even date herewith, pursuant to which, among other things, DTS will acquire 100% of the capital stock of the Company. (the "Acquisition").

D. It is a condition to the consummation of the Acquisition that the Company obtain an assignment from Assignor of all of his right, title and interest in and to the Transferred Technology.

E. As a result of the Acquisition, Assignor, the holder of options to acquire shares of the Company's common stock, will receive a payment from the Company in exchange for his options, and Assignor therefore is willing to assign all of his rights, title and interest in and to the Transferred Technology to the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignor and the Company hereby agree as follows:

ARTICLE I

TRANSFER AND ASSIGNMENT OF TRANSFERRED TECHNOLOGY

1.1 Assignment of Transferred Technology. Assignor does hereby irrevocably sell, convey, transfer, assign, and deliver to the Company and its successors and assigns forever, effective as of the Effective Date of this Agreement, free and clear of all liens, claims, security interests, mortgages, charges, encumbrances and other restrictions, the entire right, title and interest of the Assignor and of any person controlled by or under common control with Assignor in and to the Transferred Technology, including Assignor's Intellectual Property Rights in the Transferred Technology, for the Company's own use and enjoyment, and for the use and enjoyment of the Company's successors, assigns or other legal representatives, as fully and entirely as the same would have been held and enjoyed by the Assignor if this Agreement had not been made; together with all income, license fees, royalties or other payments due or payable in connection with the aforesaid Transferred Technology as of the Effective Date of this assignment or thereafter, including, without limitation, all claims for damages by reason of past, present or future infringement or other unauthorized use of the Transferred Technology with the right to sue for, and collect the same for the Company's own use and enjoyment and for the use

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and enjoyment of the Company's successors, assigns or other legal representatives, and agrees to execute all documents necessary or desirable to effectuate such transfer and assignment to the Company.

1.2 **Further Assistance.** The Assignor agrees to provide to the Company, its successors, assigns or other legal representatives, such cooperation and assistance as the Company may request (including the execution and delivery of any and all affidavits, declarations, oaths, samples, exhibits, specimens and other documentation as may be required): (i) in the preparation and prosecution of any application for patent or similar registration or any application for renewal of a registration covering any of the Transferred Technology; (ii) in the prosecution or defense of any cancellation, opposition, infringement or other proceedings that may arise in connection with any of the Transferred Technology, including, but not limited to, testifying as to any facts relating to the Transferred Technology assigned herein and this Agreement; (iii) in obtaining any additional trademark, copyright or other protection for the Transferred Technology that the Company may deem appropriate that may be secured under the laws now or hereafter in effect in Canada, the United States, Russia, or any other foreign countries; (iv) in the implementation or perfection of this Agreement; and (v) in transferring more fully and effectively all right, title and interest of Assignor in and to the Transferred Technology to the Company and its successors and assigns.

ARTICLE II

DEFINITIONS

2.1 **Intellectual Property Rights.** The term "Intellectual Property Rights" means any (i) idea, invention, modification, discovery, design, development, improvement, composition, process, formula, data, method, technique, work of authorship, know-how, show-how, patent, copyright, moral right, trade name, trademark, trade secret or any other form of intellectual property right whatsoever (whether or not any of the foregoing items are reduced to practice or are protectable under any federal, provincial or foreign patent, copyright, trademark, trade secrecy laws or any other analogous laws protective of intellectual property rights), (ii) any applications or rights to apply, with respect to the items listed in the foregoing clause (i), for patent, copyright, trademark or similar registrations, or any other analogous protective filings that may be recognized under the laws of any governmental authority, and (iii) any and all rights of Assignor pursuant to the License Agreement.

2.2 **Transferred Technology.** The term "Transferred Technology" shall mean all proprietary, technical information heretofore and hereafter developed by Assignor relating to the Codec, whether or not covered or protected by patents, patent applications, trade secrets, trademarks, service marks, trade names, copyrights, or licenses held by Assignor.

ARTICLE III

WARRANTIES

Assignor represents and warrants for the benefit of the Company that: (i) Assignor has the full power, authority and legal right to execute and deliver this Agreement and to perform all of his obligations and covenants hereunder, (ii) this Agreement has been duly executed by Assignor and constitutes the legal, valid and binding obligation of Assignor, enforceable against the Assignor by the Company in accordance with its terms, (iii) as of the Effective Date, the Assignor has good and marketable title, right and interest to all of the Transferred Technology, free and clear of all liens, claims, security interests, mortgages, charges, encumbrances and other restrictions (except and to the extent to which any such rights are held by the Company), (iv) Assignor is the sole owner of the entire right, title and interest in and to the Transferred Technology (except and to the extent to which any such rights are held by the Company), and (v) upon execution of this Agreement, the Company is hereby vested with good and marketable title, right and interest to all of the Transferred Technology, free and clear of all liens, claims, security interests, mortgages, charges, encumbrances and other restrictions.

ARTICLE IV

NOTICES

4.1 Company Notice. All materials to the Company under this Agreement shall be in writing and sent to:

QDesign Corporation
c/o Hammerberg Altman Beaton & Maglio
Suite 1220 Airport Square
1200 West 73rd Ave
Vancouver, BC V6P 6G5 Canada
Tel: +1 (604) 269-8500
Fax: +1 (604) 269-8511

4.2 Assignor Notice. All notices to Assignor under this Agreement shall be in writing and sent to:

Dmitry Shmunk
#17-11/1 Russkaya St.
Novosibirsk, 630058 Russia
Tel: +7 (3832) 300-309

The addresses given above may be changed by notice as specified above.

Notices required or permitted hereunder and sent as specified above shall be deemed given (a) immediately upon personal delivery or transmission by facsimile (if a paper copy of the notice is mailed to the other party within 24 hours of sending the facsimile); and (b) two (2) business days after the date of posting notice, sent by registered or certified mail.

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ARTICLE V
MISCELLANEOUS

5.1 Entire Agreement. This Agreement, together with any other written agreements between the parties hereto, set forth the entire agreement of the parties with respect to the subject matter hereof and may not be modified except by a writing signed by authorized representatives of the parties hereto.

5.2 Headings. Article and section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

5.3 The parties hereto shall use their best efforts to obtain as soon as practicable any and all consents, approvals, orders, or authorizations required to be obtained from any governmental authority with respect to the provisions hereof.

5.4 Execution In Counterparts. This Agreement may be executed in any number of counterparts, which may be facsimile counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts of this Agreement taken together shall constitute but one and the same instrument.

5.5 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of British Columbia, Canada, without regard to its conflicts of laws provisions.

5.6 Severability. In the event any one or more of the provisions contained in this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and/or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby. In such event, such invalid provision or provisions shall be validly reformed to as nearly approximate the intent of the parties as possible and if unreformable, shall be severed and deleted from this Agreement.

5.7 Confidentiality. Except to the extent expressly authorized by this Agreement or by other prior written consent of the Company, Assignor shall keep completely confidential and shall not publish or otherwise disclose to others and shall not use any of the Transferred Technology.

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5.8 No Waiver. No failure or delay on the part of either party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power, or remedy preclude any other or further exercise thereof, or the exercise of any other right, power, or remedy hereunder or the remedies provided by law.

IN WITNESS WHEREOF, Assignor and the Company have caused this Agreement to be executed by their duly authorized representatives in the manner legally binding on them as of the date first above written.

QDesign Corporation

By: 

Name: Richard Beaton

Title: President



Print Name: Dmitry Shmunk

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