

Form PTO-1595 (Rev. 03-09)
OMB No. 0651-0027 (exp. 03/31/2009)

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

DOCUMENT ID NO. <u>103549269</u>		RECORDATION FORM COVER SHEET PATENTS ONLY	
To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.			
1. Name of conveying party(ies) <u>MOVING EDGE LIMITED</u> <u>MARLBOROUGH DRIVE, FLECKNEY</u> <u>LEICESTER SHIRE</u> Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No		2. Name and address of receiving party(ies) Name: <u>PETER BALCHIN</u> Internal Address: _____ Street Address: <u>MAITLAND WALKER,</u> <u>19 IMPERIAL SQUARE</u> City: <u>CHELTENHAM</u> State: <u>GLOUCESTERSHIRE</u> Country: <u>ENGLAND</u> Zip: <u>GL50 1QZ</u> Additional name(s) & address(es) attached? ☐ Yes ☒ No	
3. Nature of conveyance/Execution Date(s): Execution Date(s) _____ ☒ Assignment ☐ Merger ☐ Security Agreement ☐ Change of Name ☐ Joint Research Agreement ☐ Government Interest Assignment ☐ Executive Order 9424, Confirmatory License ☐ Other _____			
4. Application or patent number(s): A. Patent Application No.(s) <u>2007 2455 72</u> <u>Serial No: 11/786917</u> Additional numbers attached? ☐ Yes ☐ No		☐ This document is being filed together with a new application. B. Patent No.(s) <u>5768787</u>	
5. Name and address to whom correspondence concerning document should be mailed: Name: <u>PINA MAZZOTTI</u> Internal Address: <u>HARVEY INGRAM</u> <u>SOLICITORS</u> Street Address: <u>20 NEW WALK,</u> <u>LEICESTER</u> City: <u>LEICESTERSHIRE</u> State: <u>ENGLAND</u> Zip: <u>LE1 6TX</u> Phone Number: <u>44 1162 576166</u> Fax Number: <u>44 1162 553338</u> Email Address: <u>pina.mazzotti@harveyingram.com</u>		6. Total number of applications and patents involved: _____ 7. Total fee (37 CFR 1.21(h) & 3.41) \$ <u>80</u> ☐ Authorized to be charged to deposit account ☒ Enclosed ☐ None required (government interest not affecting title)	
		8. Payment Information Deposit Account Number _____ Authorized User Name _____	
9. Signature: <u>G. Mazzotti</u> , <u>Harvey Ingram LLP</u> Signature _____ Date <u>17-03-09</u> <u>G. MAZZOTTI</u> Name of Person Signing _____		Total number of pages including cover sheet, attachments, and documents:	

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

Form PTO-1595 (Rev. 08/08)
OMB No. 0651-0027 (exp. 9/30/2008)

02-23-2009

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

 103549269		ET
To the Director of the U.S. Patent a.		Documents or the new address(es) below.
1. Name of conveying party(ies) MOVING SOGE LIMITED MARLBOROUGH DRIVE FLECKNEY LEICESTERSHIRE Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No		2. Name and address of receiving party(ies) Name: <u>PETER BALCHIN</u> Internal Address: <u>[REDACTED] C/O</u> Street Address: <u>MATILAND WALKER SOLICITORS</u> <u>ATMOSPHERIC SQUARE</u> City: <u>[REDACTED] CHELTENHAM</u> State: <u>GLoucestershire, GL50</u> <u>1BZ</u> Country: <u>ENGLAND</u> Zip: <u>[REDACTED]</u> Additional name(s) & address(es) attached? ☐ Yes ☒ No
3. Nature of conveyance/Execution Date(s): Execution Date(s) <u>01-07-08</u> ☒ Assignment ☐ Merger ☐ Security Agreement ☐ Change of Name ☐ Joint Research Agreement ☐ Government Interest Assignment ☐ Executive Order 9424, Confirmatory License ☐ Other		OFFICE 02-23-2009 2:17 PM 02/23/2009
4. Application or patent number(s): ☐ This document is being filed together with a new application. A. Patent Application No.(s) <u>2007245572</u> <u>(11/786917 - serial No)</u> Additional numbers attached? ☐ Yes ☒ No B. Patent No.(s) <u>5768787</u>		
5. Name and address to whom correspondence concerning document should be mailed: Name: <u>PINA MAZZOTTI, HARVEY INGRAM</u> Internal Address: <u>SOLICITORS</u> Street Address: <u>20 NEW WALK</u> <u>LEICESTER</u> City: <u>LEICESTERSHIRE</u> State: _____ Zip: <u>LE1 6TX</u> Phone Number: <u>+44 116 2 526166</u> Fax Number: <u>+44 116 2 553338</u> Email Address: <u>pina.mazzotti@harveyingram.com</u>		6. Total number of applications and patents involved: <u>2 and 2</u> 7. Total fee (37 CFR 1.21(h) & 3.41) \$ <u>20</u> ☐ Authorized to be charged to deposit account ☒ Enclosed ☐ None required (government interest not affecting title)
9. Signature: <u>G. Mazzotti</u> <u>Harvey Ingram LLP</u> <u>22-09-08</u> <u>G. MAZZOTTI</u> Signature Date Name of Person Signing		8. Payment Information Deposit Account Number _____ Authorized User Name _____ Total number of pages including cover sheet, attachments, and documents: ☐

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PATENT
REEL: 022416 FRAME: 0481

Date: 1st July

2008

Parties:

1. MOVING EDGE LIMITED a company registered in England under registration number 08149503 whose registered office is at Challenge House Palmersville Business Centre Berry Vale of Glamorgan CF63 2XA ("Moving Edge");
2. PETER BALCHIN an individual whose permanent residential address is 30 Hael Teyrell, Gwynedd, Cardiff CF11 8BP (the "Owner")

WHEREAS:

- (A) Moving Edge is the legal and beneficial owner of the Patent Rights as defined below;
- (B) The Owner and a related party own all the issued shares in Moving Edge and wish to sell those shares to COBA International Limited (the "Share Sale");
- (C) As part of, and conditional upon the Share Sale completing, it is intended that:
 - (a) Moving Edge shall assign the Patent Rights (defined below) to the Owner;
 - (b) the Owner shall, in accordance with the terms of this Agreement:
 - (i) licence back to Moving Edge the Moving Edge Rights (defined below); and
 - (ii) grant an option exclusively to Moving Edge to purchase the Moving Edge Rights.

For the avoidance of any doubt the Recitals shall form part of this licence.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS

- 1.1 In this Agreement the following terms shall have the following meanings unless the context otherwise requires:

"Completion" as that term is defined in the Share Purchase Agreement regulating the terms upon which the Share Sale shall occur;

"Confidential Information" means information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, Products, Improvements efforts and finances of the parties (which term shall include any Group Company in respect of Moving Edge) for the time being confidential to the parties and trade secrets including, without limitation, technical data and know-how relating to the business of the parties or any of its suppliers, clients, customers, agents, distributors, shareholders or management; whether or not such information (if in anything other than oral form) is marked confidential.

"Consideration" means the purchase price for the Moving Edge Rights payable by Moving Edge on the Option Completion being [REDACTED] Pounds (£[REDACTED]) plus VAT if applicable.

"Effective Date" shall be the date this Agreement becomes effective pursuant to clause 2.

"Exercise Notice" means a written notice given by Moving Edge in accordance with clause 13.4.

"Group" means Moving Edge, any company of which it is a subsidiary (its holding company) and any other subsidiaries of any such holding company; and each company in a Group is a member of the Group.

"Group Company" means any company in the Group.

"Improvements" all improvements, modifications, adaptations or new applications to any part of the Products which might reasonably be of commercial interest to either party in the design manufacture, supply or sale of the Products and which may be made or acquired by either party during the term of this Agreement.

"Moving Edge Right" means:

- (i) the patents and design rights (short particulars whereof are set out in Schedule B hereto);
- (ii) all patents that may be granted pursuant to any applications listed in Schedule B;
- (iii) all patent applications that may hereafter be filed (if any) by or on behalf of the Owner which either are based on or claim priority from any of the foregoing patents and/or applications or which are in respect of any Improvements to which either party is exclusively entitled; and
- (iv) all rights of action, powers and benefits arising from ownership of the Moving Edge Rights, including without limitation the right to sue for damages and other legal and equitable remedies (and retain any financial award made in any action) in respect of all causes of action, arising prior to, on or after the date of this Agreement in respect of the Moving Edge Rights.

"Net Sales Value" means the actual invoiced price in an arm's length transaction, less transport, freight and value add (or like) tax, governmental levies, export insurance and any normal trade discounts or rebates, any credits actually given to the extent identified on the invoice. In any sale or other disposal of any Products or part thereof otherwise than in any arm's length transaction exclusively for money, the fair market price (if higher) in the relevant country of disposal shall be substituted for the Net Sales Value.

"Option" means the option granted in favour of Moving Edge by clause 13.1.

"Option Completion" means the completion of the purchase of the Moving Edge Rights as described in clause 13.8.

"Option Period" means the time during which Moving Edge may exercise the Option, as set out in clause 13.2.

"Patent Rights" means:

- (i) the patents and design rights (short particulars whereof are set out in Schedule A hereto);
- (ii) all patents that may be granted pursuant to any applications listed in Schedule A;
- (iii) all patent applications that may hereafter be filed (if any) by or on behalf of the Owner which either are based on or claim priority from any of the foregoing patents and applications or which are in respect of any Improvements to which either party is exclusively entitled; and

- (iv) all rights of action, powers and benefits arising from ownership of the Patents Rights, including without limitation the right to sue for damages and other legal and equitable remedies (and retain any financial award made in any action) in respect of all causes of action arising prior to, on or after the date of this Agreement in respect of the Patent Rights.

"Product" means the novel 'Moving Blade Safety Knife' and Low Resistance Cardboard Cutter' together with variants thereof particulars of which are set out in Schedule C hereto; including their constituent parts including but without limitation all moulds, carriers and blades used in connection therewith.

"Share Sale" as defined in the Recital E to this Agreement.

"Share Purchase Agreement" means an agreement dated the same date as this Agreement between COXA International Limited and Moving Edge in respect of the purchase of the entirety of the shares in Moving Edge by Coha Plastics International Limited.

"Subsidiaries" means in relation to a company (a holding company) means a subsidiary as defined in section 1159 of the Companies Act 2006 and any other company which is a subsidiary (as so defined) of a company which is itself a subsidiary of such holding company.

"Territory" shall in respect of the UK patents within the Moving Edge Rights mean the United Kingdom and in respect of the European patent application within the Moving Edge Rights (and any patent granted as a result of that application) shall mean those countries to which that application applies as at the date of this Agreement.

"Year" means the period of 12 months commencing on either the Effective Date or as the context requires an anniversary of the Effective Date.

- 1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.
- 1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.
- 1.4 A reference to one gender includes a reference to the other gender.
- 1.5 The schedules to this Agreement form part of (and are incorporated into) this Agreement. In the event of a conflict between this Agreement and the schedules, this Agreement shall take precedence.
- 1.6 Unless otherwise stated references to defined terms in this Agreement shall have the same meanings as in the Share Purchase Agreement.
2. CONDITION PRECEDENT
- 2.1 This Agreement shall be conditional upon and shall only take effect immediately upon the Completion of the Share Sale.
- 2.2 If the Completion of the Share Sale has not occurred by 6.00 pm on 30 July 2008 this Agreement shall cease to have effect immediately after that time on that date.

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6.3 Moving Edge covenants that it shall take all reasonably necessary steps to ensure that sub-licensees comply with the terms of the sub-license and shall supply to the Owner all reasonable and , subject to the following sentence, non commercially sensitive information regarding any sub-licensee as the Owner may from time to time request. Moving Edge acknowledges that it shall not be entitled to withhold from the Owner information necessary for the verification of Royalties on the basis that such information is commercially sensitive to a sub-licensee.

6.4 Moving Edge shall remain responsible for acts and omissions of such sub-licensees relating to this Agreement as though they were made by Moving Edge.

7. ROYALTIES

7.1 Subject to clause 7.5, Moving Edge shall during the continuance of this Agreement pay to the Owner a royalty of ~~2.5~~ ~~(2.5%)~~ per cent of the Net Sales Value of the Products (or any part thereof) sold or otherwise supplied for money or money's worth by Moving Edge, a member of Moving Edge's Group or by any sub-licensee in accordance with this Agreement. For the avoidance of doubt this does not include sales to any Group Company or Subsidiaries.

7.2 If any Products are incorporated in any other equipment or apparatus sold by Moving Edge or any sub-licensee hereunder at a price which is included in the price for the other equipment or apparatus the Net Sales Value for the purpose of calculating royalties due hereunder shall be that proportion of the Net Sales Value of that other equipment or apparatus which is fairly attributable to such Products comparing the manufacturing cost of the other equipment or apparatus to that of the Products as components thereof.

7.3 In the case of a sale of the Product by Moving Edge to a Group Company or Subsidiaries royalties shall only be payable when the Group Company or Subsidiaries has sold the Product on to a third party outside of the Group Company or Subsidiaries.

7.4 Payments due under Clause 7.1 shall be made within 30 days of the end of each calendar quarter in respect of royalties accruing on Products invoiced in that calendar quarter.

7.5 If the royalties payable to the Owner under clause 7.1 of this Agreement are less than the amounts referred to below (the "minimum royalty") Moving Edge shall pay the difference between the minimum royalty and the royalty due under clause 7.1 of this Agreement within 30 days of each anniversary of the Effective Date failing which the Owner shall be entitled to terminate all the licences hereunder or to substitute non-exclusive licences for the exclusive licences granted to Moving Edge hereunder as the Owner shall in his sole discretion think fit. The minimum royalties shall be:

7.5.1 First Year after the Effective Date - ~~£100,000~~

7.5.2 Second Year after the Effective Date - ~~£100,000~~

7.5.3 Third Year after the Effective Date - ~~£100,000~~

7.5.4 Fourth Year after the Effective Date - ~~£100,000~~

7.5.5 Fifth Year after the Effective Date - ~~£100,000~~

7.5.6 For the sixth Year and any subsequent Years after the Effective Date the minimum royalty shall be minimum royalty figure for the previous Year adjusted to reflect the

7.6 All sums due under this Agreement:

7.6.2 shall be made in sterling to the credit of a bank account to be designated in writing by the Owner where necessary. Conversion into sterling shall be calculated:

7.6.2.2 in the case of all other payments at the rate of exchange ruling on the day payment is made or due whichever is earlier;

7.6.3 shall be made in full without deduction of taxes charges and other duties that may be imposed except in as far as any such deduction may be recovered by set off or repayment in full by the Owner against the Owner's own tax liabilities. The parties agree to co-operate in all respects necessary to take advantage of such double taxation arrangements as may be available.

8.1 Moving Edge agrees to keep true and accurate records and books of account containing all data necessary for the determination of royalties payable under Clause 7.1 which records and books of account shall upon reasonable notice (which for the avoidance of any doubt shall be no less than 14 days notice) of the Owner be open at all reasonable times during business hours for inspection by the Owner or its duly authorised agent for the purpose of verifying the accuracy of Moving Edge's reports hereunder. The Owner shall be solely responsible for the costs of the accountant unless the latter certifies that any reports are inaccurate by more than 5% in Moving Edge's favour in which event Moving Edge shall reimburse the Owner for all his reasonable costs, reasonably incurred.

2.3 The Owner agrees to maintain confidential all financial information received with respect to Moving Edge's operations pursuant to the foregoing Clauses 2.1 and 8.2.

9.1 Each party agrees to maintain secret and confidential all Confidential Information obtained from the other both pursuant to this Agreement and prior to and in contemplation of it and all other information that it may acquire from the other in the course of this Agreement, to respect the other's proprietary rights therein, to use the same exclusively for the purposes of

this Agreement, and to disclose the same only to those of its employees and contractors and sub-licensees pursuant to this Agreement (if any) to whom and to the extent only that such disclosure is reasonably necessary for the purpose of this Agreement.

- 9.2 The foregoing obligations of Clause 9.1 above shall not apply to Confidential Information which:
- 9.2.1 prior to receipt thereof from one party was in the possession of the other and at its free disposal;
 - 9.2.2 is subsequently disclosed to the recipient party without any obligations of confidence by a third party who has not derived it directly or indirectly from the other;
 - 9.2.3 is or becomes generally available to the public through no act or default of the recipient party or its agents or employees.
- 9.3 Each party shall ensure that all its employees, contractors and sub-licensees pursuant to this Agreement (if any) who have access to any information of the other to which the obligations of Clause 9.1 apply shall reasonably be made aware of and subject to these obligations.

10. PERFORMANCE

- 10.1 During the continuance of this Agreement Moving Edge shall:
- 10.1.1 use all reasonable commercial endeavours to promote the distribution and sale of Products in the Territory as widely as its resources reasonably permit and will make available all necessary selling and manufacturing facilities to meet in full all demands for Products. Moving Edge shall seek to maximise such demand and to obtain the best market price for the Products consistent only with Moving Edge obtaining a reasonable rate of return on its assets employed in making and selling Products;
 - 10.1.2 ensure that all Products supplied by Moving Edge are of good merchantable quality and fit for the general purpose for which they are intended to be used;
 - 10.1.3 ensure that all Products supplied by Moving Edge meet all relevant governmental health and safety and product liability standards applicable in the places in which such Products are manufactured, used or sold;
 - 10.1.4 ensure that all literature prepared by Moving Edge and relating to Products bears an acknowledgement to the effect that they are subject to a licence and attach to all Products a label quoting relevant patent numbers and stating that such Products are made under licence;
 - 10.1.5 as required by applicable statute where appropriate replace at its own expense and free of charge any Products supplied by it that are defective by reason of faulty manufacture or through inadequate workmanship or materials;
 - 10.1.6 not act as agent of the Owner and specifically not give any indication that it is acting otherwise than as principal and in advertising or selling Products not make any representation or give any warranty on behalf of the Owner.

- 10.1.7 maintain product liability insurance in respect of all Products produced under the licence with a minimum indemnity limit of \$1Million and produce on demand a copy of such insurance to the Owner.
- 10.1.8 keep the Owner fully indemnified against all costs claims and liabilities of whatever nature arising out of the exercise of rights hereunder, arising out of any breach of this clause 10 or arising out of any claims made against the Owner by a third party arising from Moving Edge's manufacture, use or selling of the Products.
- 10.2 Moving Edge shall forthwith inform the Owner if for any reason it is unable to meet any reasonable market demand giving sufficient information to enable the Owner to supply the customers itself if appropriate.
- 10.3 Moving Edge shall not during the continuance of the Agreement be directly or indirectly concerned in the manufacture distribution sale or other supply in any part of the Territory of any manufactured goods which by reason of their properties and performance are commercially competitive with the Products or any of them.
- 10.4 Moving Edge shall at its own expense register or procure the registration of any sub-licence granted by Moving Edge under the terms hereof.
11. PATENTS
- 11.1 Moving Edge shall:
- (a) give to the Owner such assistance as the Owner may reasonably require in connection with the obtaining of any patents pursuant to applications within the definition of 'Moving Edge Rights' and the preservation of any such patents; and
 - (b) pay to the Owner or direct to his Patent Agents as the Owner may from time to time direct the reasonable costs and fees in obtaining and renewing the Moving Edge Rights or any of them.
- 11.2 Each party shall inform the other forthwith in writing of any infringement (which term shall include any opposition and conflict with third party patent or licence) or suspected or threatened infringement of any of the Moving Edge Rights which shall at any time during the life of this Agreement come to its knowledge and the parties shall then forthwith consult together to decide what steps shall be taken to prevent or terminate such infringement. The Owner or Moving Edge shall take such steps as the parties shall agree should be taken including the institution of legal proceedings where necessary in the name of one of the parties or the joint names of the Owner and Moving Edge as appropriate. Any recovery obtained by any actions proceedings or otherwise shall be applied first to reimburse the parties for their reasonable legal and other professional expenses in respect of any such infringement. If the recovery is insufficient to reimburse the Owner and/or Moving Edge for such legal and professional expenses the un-reimbursed expenses shall be borne by the parties equally or in such other proportions as may have been agreed at the outset, if costs have been solely borne by Moving Edge, Moving Edge may deduct from any payment, whether through royalties or otherwise due to the Owner in respect of costs incurred by Moving Edge.
- 11.3 The Owner warrants to Moving Edge that:-
- 11.3.1 It is the sole owner of the Moving Edge Rights and has the right to grant to Moving Edge the licences hereby granted or agreed to be granted.

- 11.3.2 To the best of the Owners knowledge, information and belief he has undertaken reasonable due diligence and executed all necessary legal and other documents to ensure that he has transferred to himself the full equitable and legal title of the Moving Edge Rights and is solely and beneficially entitled thereto free from any claims or encumbrances whatsoever.
- 11.3.3 Moving Edge agrees to pursue any rights it has under a Call Option Agreement dated 23 May 2008 between Moving Edge Limited and WA1 Designs Limited before pursuing the Owner in respect of the warranties provided under this clause 11.
- 11.4 Subject and without prejudice to clause 11.3, the Owner does not warrant that manufacture use or sale of the Products hereunder is not an infringement of any valid and subsisting patents or patent applications not held by the Owner. Save as set out in this Agreement and to the extent permitted by law, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law and to the extent that they apply to the Owner, excluded from this Agreement.
- 11.5 If at any time during this Agreement Moving Edge directly or indirectly opposes or assists any third party to oppose the grant of letters patent on any patent application within the Moving Edge Rights or disputes or directly or indirectly assists any third party to dispute the validity of any patent within the Moving Edge Rights or any of the claims thereof the Owner shall be entitled at any time thereafter to determine all or any of the licences granted hereunder forthwith by notice thereof to Moving Edge.
12. IMPROVEMENTS
- 12.1 Each party shall forthwith disclose to the other in confidence and in such detail as that other may reasonably require all improvements that it may develop or acquire during the term of this Agreement except in so far as such disclosure would disclose information derived from and subject to confidentiality obligations in favour of a third party.
- 12.2 Improvements that the Owner is due to disclose to Moving Edge under Clause 12.1 above shall be deemed to be part of the Moving Edge Rights for the purposes of the rights granted to Moving Edge under Clause 4 hereof.
- 12.3 The Owner shall have a non-exclusive irrevocable worldwide royalty-free licence without limit of time to use all improvements Moving Edge is due to disclose to the Owner under Clause 12.1 hereof and to work under all intellectual property rights in respect thereof owned by Moving Edge or any successor in title of Moving Edge provided always that such rights shall cease if Moving Edge exercises the Option.
- 12.4 Save as otherwise provided therein, improvements arising from work carried out by the Owner alone shall remain the exclusive property of the Owner and improvements arising from work carried out by Moving Edge alone shall remain the exclusive property of Moving Edge.
- 12.5 Improvements arising from work carried out jointly shall belong to the parties equally unless they shall otherwise agree. Each party shall have the irrevocable right to use such joint improvements independently of the other and to the extent necessary for such use a licence under all jointly held intellectual property rights relating thereto including the right to grant sub-licences thereunder. Each party hereby undertakes that on request it will confirm to any prospective licensee of the other the right of that other pursuant to this paragraph to grant such a licence.

13. OPTION

- 13.1 The Owner grants to Moving Edge the exclusive Option on the terms set out in this clause 13 to purchase the Moving Edge Rights only with full title guarantee.
- 13.2 The Option may only be exercised up to and including the date 24 months from the Effective Date, and if the Option is not exercised on or before such date, it shall lapse.
- 13.3 For the purposes of this clause 13 the date of exercise of the Option is the date on which Moving Edge serves an Exercise Notice on the Owner and not the date on which the Owner is deemed to receive the Exercise Notice in accordance with clause 17.
- 13.4 Subject to clause 13.2 the Option shall be exercised only by Moving Edge giving the Owner an Exercise Notice in accordance with clause 13 which shall include:
- 13.4.1 the date on which the Exercise Notice is given;
- 13.4.2 a statement to the effect that Moving Edge is exercising the Option;
- 13.4.3 a date, which is no less than five and no more than 15 Business Days after the date of the Exercise Notice, on which Option Completion is to take place; and
- 13.4.4 a signature by a director on behalf of Moving Edge.
- 13.5 Once given, an Exercise Notice may not be revoked without the written consent of the Owner.
- 13.6 The Consideration payable on exercise of the Option shall be satisfied in cash at the Option Completion.
- 13.7 Option Completion shall take place on the date specified in the Exercise Notice or such later date as the parties may agree.
- 13.8 At the Option Completion:
- 13.8.1 Moving Edge shall pay the Consideration to the Owner or to such other person as the Owner may direct by direct telegraphic transfer; and
- 13.8.2 the parties shall enter into the Assignment in the form substantially similar to that annexed at Schedule D hereto.
- 13.9 The Owner represents and warrants to Moving Edge that:
- 13.9.1 it has full power and authority to grant the Option on the terms and conditions of this Agreement;
- 13.9.2 it is, and will remain during the Option Period, the sole legal and beneficial owner of the Moving Edge Rights, subject only to the Option.
- 13.10 Until the earlier of Option Completion and lapse of the Option under clause 13.2, the Owner shall not, without the prior written consent of Moving Edge and save as otherwise provided in this Agreement, sell, transfer or otherwise dispose of in any form whatsoever, or grant any licences in respect of, or mortgage, charge, pledge or otherwise encumber its legal or beneficial interest in the Moving Edge Rights (or any interest in any of them).

14. TERM AND TERMINATION

14.1 If

14.1.1 either party is in breach of any obligation on it hereunder and, in the case of a breach capable of remedy, it shall not have been remedied by the defaulting party within 28 days of written notice specifying the breach and requiring its remedy, or if

14.1.2 Moving Edge becomes insolvent, has a receiver appointed over the whole or any part of its assets, enters into any arrangement with creditors, or has an order made or resolution passed for it to be wound up (otherwise than in furtherance of a scheme for amalgamation or reconstruction).

Then the party not in breach of the obligation or condition may forthwith terminate this Agreement by notice without prejudice to the accrued rights of either party.

14.2 Termination of this Agreement for any reason shall not bring to an end:

14.2.1 the secrecy obligations on the parties hereto including under clause 9;

14.2.2 Moving Edge's obligations to pay royalties or other sums which have accrued due or which will become due in respect of sales under Clause 14.3;

14.2.3 the obligations (if any) on Moving Edge under Clause 14.4;

14.3 On termination of this Agreement for any reason Moving Edge shall continue to have the right for a period of six months from the date of termination to complete deliveries on contracts in force at the date of termination and to dispose of Products already manufactured subject to payment to the Owner of royalties thereon in accordance with Clause 7 above.

14.4 On termination of this Agreement for any reason under this Clause 14 Moving Edge shall offer to the Owner at cost all stocks of Products not committed for sale to a third party and promotional and other literature relating thereto in its possession or control and shall provide the Owner with all reasonable facilities to inspect the same and shall deliver up to the Owner all production manuals and all other documents (including copies thereof) in its possession or control subject to the secrecy obligations of Clause 9 hereof.

14.5 Save as expressly provided in clause 13, this Agreement shall continue in full force and effect notwithstanding that the Option lapses pursuant to clause 13.2.

15. FORCE MAJEURE

15.1 If either party to this Agreement is prevented or delayed in the performance of any of its obligations under this Agreement by force majeure, and if such party gives written notice thereof to the other party specifying the matters constituting force majeure, together with such evidence as it reasonably can give and specifying the period for which it is estimated that such prevention or delay will continue then the party in question shall be excused the performance or the punctual performance as the case may be as from the date of such notice for so long as such cause of prevention or delay shall continue.

15.2 For the purpose of this Agreement "force majeure" shall be deemed to be any cause affecting the performance of this Agreement arising from or attributable to acts, events, omissions or

accidents beyond the reasonable control of the party to perform and without limiting the generality thereof shall include the following:

- 15.2.1 strikes, lock-outs or other industrial actions;
- 15.2.2 civil commotion, riot, invasion, war threat or preparation for war;
- 15.2.3 fire, explosion, storm, flood, earthquake, subsidence, epidemic or other natural physical disaster;
- 15.2.4 impossibility of the use of railways, shipping, aircraft, motor transport or other means of public or private transport;
- 15.2.5 political interference with the normal operations of any party.

16. GENERAL

- 16.1 This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective legal successors but shall not be assignable by Moving Edge without the written consent of the Owner. Such consent not to be unreasonably withheld.
- 16.2 No variation or amendment of this Agreement shall bind either party unless made in writing in the English language and agreed to in writing by duly authorised officers of both parties.
- 16.3 If any provision of this Agreement is agreed by the parties to be illegal void or unenforceable under any law that is applicable hereto or if any court of competent jurisdiction in a final decision so determines this Agreement shall continue in force save that such provision shall be deemed to be excised herefrom with effect from the date of such agreement or decision or such earlier date as the parties may agree.
- 16.4 A failure by either party hereto to exercise or enforce any rights conferred upon it by this Agreement shall not be deemed to be a waiver of any such rights or operate so as to bar the exercise or enforcement thereof at any subsequent time or times.
- 16.5 No term of this Agreement shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to it, but this does not affect any right or remedy of a third party which exists or is available apart from under that Act.
- 16.6 Each party shall at the request and reasonable expense of the other party execute all such documents and do all such further acts as the other party may reasonably require in order to give effect to the terms of this Agreement.

17. NOTICES

- 17.1 Any notice required to be given hereunder by either party to the other shall be in writing and shall be served by sending the same by registered or recorded delivery post to the address of the other party as given herein or to such other address as that party may have previously notified to the party giving notice as its address for such service.
- 17.2 All notices documents communications and any other data to be provided under this Agreement shall be in the English language unless otherwise agreed.

4 6 7

PATENT
REEL: 022416 FRAME: 0494

SCHEDULE APatent Rights

Safety Knife with Moving Blade

GB Patent 2306907 Marks & Clark ref PO3350GB

US Patent 5768787 Marks & Clark ref PO3350US

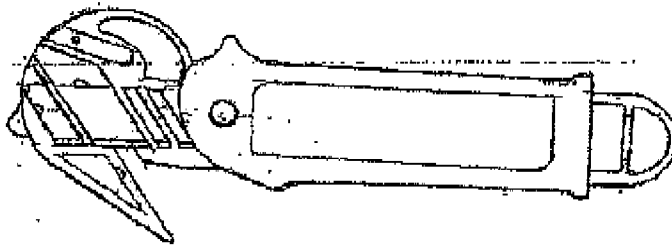
Low Resistance Cardboard Cutter

British Patent Application 070701.54 ref PO5352GB

Also US 11/788917 & EU 07251580.2 Patents Pending

Description of Products

Die cast or moulded body
Moulded sliding handle
Blade
Spring
Pin, separate or moulded integrally in handle



Body
Body Handle
Blade
Pin
Spring

SCHEDULE DASSIGNMENT

THIS DEED OF ASSIGNMENT is made the _____ day of _____ 2008
BY AND BETWEEN:

(1) PETER BALCHIN an individual of 30 Nicol Terrace, Causton, Cardiff CF11 8BT (the "Owner")
and

(2) MOVING EDGE LIMITED ("the Assignee") (Company No. 03149503) whose registered
office is at Challenge House, Palmersvale Business Centre, Barry, Vale of Glamorgan, CF63 2XA

RECITALS

A The Owner is the legal and beneficial owner of certain patents as described in the attached
Schedule A ("the Patents")

B The Owner is willing to assign all its right, title and interest in the Patents to the Assignee
subject to the provisions of this Assignment

THIS DEED WITNESSES as follows:

1 Assignment

In consideration of the payment of One Hundred and Fifty Thousand Pounds (excluding
VAT) the Owner hereby assigns to the Assignee with full title guarantee absolutely all its
right, title, interest and the full and exclusive benefit in the Patents.

1.2 The assignment effected by this clause 1 shall include, without limitation, the
assignment and transfer of:

- (a) all patents that may be granted pursuant to any applications listed in the
attached Schedule A, as well as all patents that may derive priority from
or have equivalent claims to or be based upon the Patents in any country
of the world (and including supplementary protection certificates,
divisions, continuations, continuations in part, renewals and extensions),
and references to the Patents in this Assignment shall be deemed to
include all such items of property; and
- (b) all rights of action, powers and benefits arising from ownership of the
Patents, including without limitation the right to sue for damages and
other legal and equitable remedies (and retain any financial reward made
in any action) in respect of all causes of action arising prior to, on or after
the date of this Assignment.

2 Owner's obligations

The Owner agrees with the Assignee to execute such documents and give such assistance
at the expense of the Assignee as the Assignee may require to secure the vesting in the
Assignee of all rights in the Patents.

The Owner does not warrant that manufacture use or sale of the Products hereunder is not an
infringement of any valid and subsisting patents or patent applications not held by the Owner

The validity, construction and performance of this Assignment shall be governed by English law, and the Owner and the Assignee agree to the exclusive jurisdiction of the courts of England and Wales in respect of any dispute arising in connection therewith.

Low Resistance Cardboard Cutter
British Patent Application 070701.54 ref PO5352GB
EU 07251580.2 Patents Pending

10

6 Park Place
Covett
CF10 3KJ
Scribbler

E. P. Buckley
Director
[Signature]
Director OR Secretary