

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LICENSE
<b>CONVEYING PARTY DATA</b>	
Name	Execution Date
LecTec Corporation	11/11/2009
<b>RECEIVING PARTY DATA</b>	
Name:	Endo Pharmaceuticals Inc.
Street Address:	100 Endo Boulevard
City:	Chadds Ford
State/Country:	PENNSYLVANIA
Postal Code:	19317
<b>PROPERTY NUMBERS Total: 5</b>	
Property Type	Number
Patent Number:	5536263
Patent Number:	5741510
Patent Number:	6096333
Patent Number:	6096334
Patent Number:	6361790
<b>CORRESPONDENCE DATA</b>	
Fax Number:	(484)840-4269
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	6105589800
Email:	johnson.ginola@endo.com
Correspondent Name:	Guy T. Donatiello
Address Line 1:	100 Endo Boulevard
Address Line 4:	Chadds Ford, PENNSYLVANIA 19317
NAME OF SUBMITTER:	Guy Donatiello

**OP \$200.00 5536263**

Total Attachments: 7  
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**PATENT  
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## SETTLEMENT AND LICENSE AGREEMENT

This SETTLEMENT AND LICENSE AGREEMENT ("Agreement"), effective as of the Effective Date (as defined below), is made by and among LecTec Corporation, a Minnesota corporation having its principal place of business at 1407 S. Kings Highway, Texarkana, TX 75501 ("LecTec") and Endo Pharmaceuticals Inc., a Delaware corporation having its principal place of business at 100 Endo Boulevard, Chadds Ford, PA 19317 ("Endo"). LecTec and Endo are hereinafter collectively referred to as the "Parties", and each individually as a "Party".

### RECITALS

**WHEREAS**, LecTec is the owner of United States Patent Nos. 5,536,263 and 5,741,510 (the "Patents-In-Suit");

**WHEREAS**, LecTec and Endo are litigants in a civil action pending in the United States District Court for the Eastern District of Texas, captioned *LecTec Corporation v. Chattem, Inc., Endo Pharmaceuticals Inc., et al*, Civil Action No. 5:08cv130 (DF) (the "Texas Litigation");

**WHEREAS**, LecTec and Endo recognize the uncertainty of the outcome of disputed, complex litigation such as the Texas Litigation, as well as the extended time it could take to resolve matters by litigation, and have independently concluded that their respective interests are best served by compromising and thereby terminating and concluding the Texas Litigation and all disputes between them.

**NOW, THEREFORE**, in consideration of the covenants, conditions and obligations expressed herein, and intending to be legally bound thereby, the Parties hereto agree as follows:

### ARTICLE I. DEFINITIONS

Section 1.1. Definitions. The following terms will have the meanings provided below:

"Affiliate" shall mean, with respect to any entity, any other entity that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such first entity. The term "control" (including its correlative meanings "controlled by" and "under common control with") shall mean possession, directly or indirectly, of power to direct or cause the direction of management or policies (whether through ownership of securities or partnership or other ownership interests, by contract or otherwise).

"Agreement" has the meaning specified in the introductory paragraph hereof.

"Covenant Not To Sue" has the meaning specified in Section 3.2.

“Covenant Patents” means (a) any and all United States and foreign patents and patent applications owned or controlled by LecTec or its Affiliates as of the Effective Date, (b) all continuations, continuations-in-part and divisionals thereof, (c) any United States patents resulting from the reissue or reexamination of any of the patents and applications set forth in clauses (a) or (b) above, and (d) any United States and foreign patents or patent applications claiming common priority with any of the patents or applications set forth in clauses (a), (b) or (c) above (whether claiming priority from such patents and patent applications or forming the basis of priority for such patents and patent applications), in each case including all extensions thereof.

“Covenant Term” has the meaning specified in Section 3.3(b).

“Dismissal Date” means the date on which the Texas Litigation is dismissed against Endo pursuant to the Stipulation of Dismissal to be filed by the Parties pursuant to this Agreement.

“Effective Date” means the latest date on which each Party has provided to the other a fully executed counterpart of this Agreement.

“Endo” has the meaning specified in the introductory paragraph hereof.

“Endo Products” means any and all products offered for sale or sold by Endo or any of its Affiliates at any time on or prior to the Effective Date.

“Endo Releasing Parties” has the meaning specified in Section 2.2(b).

“Field of Use” means any and all uses in connection with any and all prescription pain medicines and treatments, in any dosage form, for humans or animals.

“LecTec” has the meaning specified in the introductory paragraph hereof.

“LecTec Releasing Parties” has the meaning specified in Section 2.2(a).

“License” has the meaning specified in Section 3.1.

“Licensed Patents” means the (a) Patents-In-Suit, (b) any continuations, continuations-in-part or divisionals of the Patents-In-Suit and any United States patents resulting from any reissue or reexamination of the Patents-In-Suit, (c) any United States or foreign patents or patent applications claiming common priority to any of the patents or patent applications set forth in clauses (a) and (b) above (whether claiming priority from such patents and patent applications or forming the basis of priority for such patents and patent applications), and (d) any foreign counterparts to any of the patents and patent applications set forth in clauses (a), (b) and (c) above, in each case including all extensions thereof.

“License Fee” has the meaning set forth in Section 3.4.

“License Term” has the meaning specified in Section 3.3(a).

(collectively, the “Endo Releasing Parties”), does hereby release and forever discharge LecTec and its respective past, present and future Affiliates and their respective successors and assigns and their respective past, present and future employees, officers, directors, principals, agents, attorneys, accountants, shareholders, licensees, sublicensees, customers, suppliers, contractors, importers, manufacturers, distributors, insurers, or any heirs, administrators, executors, predecessors, successors, affiliates, or assigns of the foregoing, from any and all claims, rights, causes of action, counterclaims, defenses, damages and liabilities whatsoever, whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether known or unknown, whether accrued and existing or which may arise or accrue after the date hereof, which were asserted or could have been asserted in the Texas Litigation by any Endo Releasing Party which relate to the Patents-in-Suit or any products sold or offered for sale by LecTec.

(c) LecTec and Endo agree and acknowledge that this Agreement is the result of a compromise and shall never be construed as any admission by either of them of any liability, wrongdoing, or responsibility on its part.

Section 2.3. Costs; Dismissals. All dismissals of all claims and counterclaims specified in Section 2.1 will be without costs to either Party and will include an irrevocable release by each Party, on behalf of itself and its Affiliates, of all claims for attorneys’ fees. Each Party will bear its own costs in connection with entering into this Agreement and the negotiation and submission of the dismissals specified in Section 2.1.

### ARTICLE III. LICENSE AND COVENANT NOT TO SUE

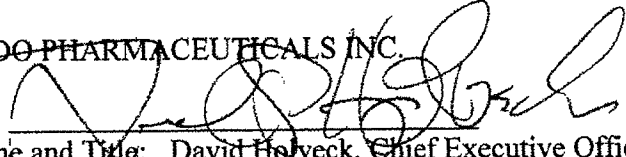
Section 3.1. License. LecTec hereby grants to Endo, and Endo hereby accepts, a perpetual, irrevocable, non-terminable, fully paid-up, royalty-free and worldwide license (the “License”), under the Licensed Patents, during the Licensed Term, to develop, make, have made, use, sell, offer to sell, market, distribute, import and otherwise exploit any and all current and future products, services, methods and processes. The License shall be exclusive to Endo and sublicenseable by Endo within the Field of Use. The License shall be non-exclusive and non-sublicenseable as to all fields outside of the Field of Use, except that Endo may grant sublicenses outside of the Field of Use to manufacturers for the sole and limited purpose of making Endo products and selling/importing such Endo products to Endo, which Endo ultimately re-sells under this License. LecTec retains no rights under the Licensed Patents in the Field of Use. Endo shall have the exclusive right to grant sublicenses under the License within the Field of Use (but not outside the Field of Use) in its sole discretion.

Section 3.2. Covenant Not To Sue. During the Covenant Term, LecTec, on behalf of itself and its Affiliates and their respective successors and assigns (including any successors and assigns of the Covenant Patents), covenant that they will not sue, assert any claim or counterclaim against, or otherwise participate in any action or proceeding against Endo or any of its Affiliates or any of their respective past, present and future employees, officers, directors, principals, agents, attorneys, accountants shareholders, licensees, sublicensees, customers, suppliers, contractors, importers,

or Appendices, unless otherwise specifically provided, shall be construed to refer to Articles, Sections and Appendices of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written.

ENDO PHARMACEUTICALS INC.

By:   
Name and Title: David Holveck, Chief Executive Officer  
Date: November 11, 2009

LECTEC CORPORATION

By: \_\_\_\_\_  
Name and Title: Judd Berlin, Chief Executive Officer and  
Chairman of Board of Directors  
Date: November \_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: C. Andrew Rollwagon, Member of Board of Directors  
Date: November \_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: Daniel Sigg, Member of Board of Directors  
Date: November \_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: Sanford Brink, Member of Board of Directors  
Date: November \_\_\_\_, 2009


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ENDO PHARMACEUTICALS INC.

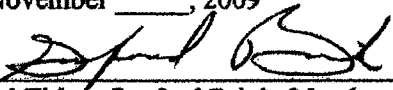
By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Date: November \_\_\_\_, 2009

LECTEC CORPORATION

By:   
Name and Title: Judd Berlin, Chief Executive Officer and  
Chairman of Board of Directors  
Date: November 11, 2009

By: \_\_\_\_\_  
Name and Title: C. Andrew Rollwagon, Member of Board of Directors  
Date: November \_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: Daniel Sigg, Member of Board of Directors  
Date: November \_\_\_\_, 2009

By:   
Name and Title: Sanford Brink, Member of Board of Directors  
Date: November 11, 2009

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IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written.

ENDO PHARMACEUTICALS INC.

By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Date: November \_\_\_\_\_, 2009

LECTEC CORPORATION

By: \_\_\_\_\_  
Name and Title: Judd Berlin, Chief Executive Officer and  
Chairman of Board of Directors  
Date: November \_\_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: C. Andrew Rollwagon, Member of Board of Directors  
Date: November \_\_\_\_\_, 2009

By: *Daniel Sigg*  
Name and Title: Daniel Sigg, Member of Board of Directors  
Date: November 11, 2009

By: \_\_\_\_\_  
Name and Title: Sanford Brink, Member of Board of Directors  
Date: November \_\_\_\_\_, 2009



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IN WITNESS WHEREOF, the Parties have executed this Agreement on the date first above written.

ENDO PHARMACEUTICALS INC.

By: \_\_\_\_\_  
Name and Title: \_\_\_\_\_  
Date: November \_\_\_\_, 2009

LECTEC CORPORATION

By: \_\_\_\_\_  
Name and Title: Judd Berlin, Chief Executive Officer and  
Chairman of Board of Directors  
Date: November \_\_\_\_, 2009

By: C. Andrew Rollwagen  
Name and Title: C. Andrew Rollwagen, Member of Board of Directors  
Date: November 11<sup>th</sup>, 2009

By: \_\_\_\_\_  
Name and Title: Daniel Sigg, Member of Board of Directors  
Date: November \_\_\_\_, 2009

By: \_\_\_\_\_  
Name and Title: Sanford Brink, Member of Board of Directors  
Date: November \_\_\_\_, 2009