

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Sunnybrook and Women's College Health Science Centre	01/18/2001
James Asbrock	01/18/2001
Dale Maeding	01/18/2001
RECEIVING PARTY DATA	
Name:	NOVA R&D
Street Address:	1525 Third Street, Suite C
City:	Riverside
State/Country:	CALIFORNIA
Postal Code:	92507
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	09544561
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NAME OF SUBMITTER:	Andrew Mar

Total Attachments: 6
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This Exclusive License Agreement (the "License Agreement") to be effective as of December 6, 2000 (the "Agreement Date"), is entered into by and between the following Licensors, (hereinafter called "Licensor"); NOVA R&D, Inc. (hereinafter called "Licensee"), a corporation organized under the laws of the State of California, and having its principal place of business at 1525 Third Street, Suite C Riverside, CA 92507.

Licensor(s):

University of Toronto, (Martin J. Yaffe, Gordon Mawdsley and James Mainprize)
c/o Sunnybrook & Women's College Health Sciences Centre, University of Toronto, 2075 Bayview Avenue,
Toronto, ON M4N3M5, Canada.

James Asbrock
1402 Pambara Circle Oceanside, California 92054, USA.

Dale Maeding
c/o Innovative Design, 33501 Nancy Jane Ct., Dana Point, California 92629, USA.

WITNESSETH:

WHEREAS, Licensor(s) are a part owner of certain "Subject Technology" (as hereinafter defined) related to the fields of digital mammography, dental and other medical imaging and industrial imaging.

WHEREAS, Licensor is desirous of assigning its Patent rights to Licensee and granting a royalty-bearing, worldwide exclusive license in and to the Subject Technology to Licensee; and

WHEREAS, Licensee is desirous of obtaining such assignment of Patent rights and a worldwide exclusive license in and to the Subject Technology;

NOW, THEREFORE, in consideration of the mutual promises and agreements of the parties and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby expressly agree as follows:

1. DEFINITIONS AS USED HEREIN

1.1 The term "Subject Technology" shall mean all patentable and un-patentable technology, trade secrets, devices, models, kits, compounds, things, know-how, methods, documents, materials, tests and all other confidential information relating to U.S. Patent Application No. 09/544,561 entitled "High Resolution Digital Imaging Apparatus" together with the patent issued and the foreign counterpart applications and issued foreign patents, and all reexaminations, reissues, renewals, extensions, and divisions-in-part thereof (the "Licensed Patents").

1.2 The term "Valid Claim" shall mean a claim which is the subject of the Assigned and Licensed Patents which claims have not expired and which have not been held invalid or unenforceable by decision of a court or other governmental agency of competent jurisdiction, un-appealable or un-appealed within the time allowed for appeal, and which has not been admitted to be invalid through reissue or disclaimer or otherwise.

1.3 The term "Licensed Product(s)" shall mean the MARY chip and the detector mounted on the MARY chip, which incorporate or utilize the Subject Technology and which are covered, in whole or in part, by a Valid Claim of the Licensed Patent. Licensed product only includes the MARY chip and the detector mounted on the MARY chip. It does not include any other item whether it is part of the complete item sold or not. If other products are developed in the future by Licensee together with Licensor(s), which are fully protected by Valid Claim(s) from challenge by third parties, those new products will be also included in the Licensed Product(s).

1.4 The term "Net Profits" shall mean the money leftover after all the expenditures including the manpower and overhead to manufacture the Licensed Product is taken out from the sale price of the Licensed Product.

EXCLUSIVE LICENSE AGREEMENT

1.5 The term "Affiliates" shall mean any corporation, partnership, joint venture or other entity which is controlled by Licensee or which is twenty-five percent (25%) or more owned by Licensee.

1.6 The term "Sub-licensees" shall mean any third party, which has been granted rights to the Subject Technology or rights to make, have made, use and sell Licensed Product by Licensee.

2. GRANT OF LICENSE

Licensee hereby assigns its Patent rights to the Licensee and grants to Licensee an exclusive right and license in and to the Subject Technology, with the right to grant sublicenses to Affiliates and to third parties, throughout the United States and the world to make, have made, use, market and sell Licensed Products.

3. BEST EFFORTS

Licensee shall use its best efforts to effect introduction of Licensed Products which incorporate the Subject Technology into the commercial market as soon as practicable, consistent with sound and reasonable business practices and judgment.

4. FEES AND ROYALTIES

4.1 Licensee will pay the fees and other costs to prepare and submit the patent and defense of the patent. Licensee agrees to pay or cause to be paid and shall pay Licensor a royalty of 15% of the Net Profits from the sales of the Licensed Product(s) divided equally, 3% per Licensor, among all the Licensors for the license of Valid Claims of the Licensed Patent and unpatented Subject Technology for the life of this patent. It is understood by the parties that the payment of the royalty will be paid to Licensor if the Licensed product is covered by this patent when issued. ~~It is also understood by the parties that half the royalty rate will apply to the sales in the countries where there exists patent protection in the said country.~~ It is expressly intended by the parties that the sale of each Licensed Product(s) shall be the subject of no more than a single royalty payment. Licensor(s) can use the Subject Technology for research purposes only, in their own laboratory without royalty payments to the Licensee.

4.2 Licensor(s) cannot sell the Licensed Product(s) without a written and signed permission by Licensee. Licensor(s), with their own means, can promote the Licensed Product(s). If a Licensor finds a customer for Licensed Product(s), which is unknown to the Licensee as a customer, the royalty payments to the said Licensor from the sales of the said Licensed Product(s) to the said customer will be doubled.

4.3 All payments are due (sixty days from receipt of payment of sale) hereunder are expressed in and shall be paid by check payable in United States of America currency, without deduction of exchange, collection or other charges, to Licensor, or to the account of Licensor at such other bank as Licensor may from time to time designate in writing.

4.4 In the event that any payment due hereunder is not made when due, the payment shall accrue interest beginning on the tenth day following the due date thereof, calculated at the annual rate of the sum of (a) two percent (2%) plus (b) the prime interest rate quoted by Citibank, N.A., New York, New York on the date said payment is due, the interest being compounded on the last day of each calendar quarter, provided however, that in no event shall said annual interest rate exceed the maximum legal interest rate for corporations. Such royalty payment when made shall be accompanied by all interest so accrued. Said interest and the payment and acceptance thereof shall not negate or waive the right of Licensor to any other remedy, legal or equitable, to which it may be entitled because of the delinquency of the payment.

4.5 If Licensee licenses the Licensed Product(s) to its Affiliate or a Sub-licensee the royalties described in Section 4.1 will be paid from the profits Licensee receives from the said Affiliate or the said Sub-licensee.

5. REPORTS, RECORDS AND INSPECTION

5.1 Within thirty (30) days after the expiration of each calendar quarter that begins or ends during the term of this License Agreement after the sales of the Licensed Product(s) start, Licensee or its Affiliates or Sub-licensees, as the case may be, shall furnish Licensor with a written statement of all royalties due on sales of Licensed Products during such calendar quarter. Such written statements shall be duly signed on behalf of Licensee or its Affiliates or Sub-licensees and shall show the Net Sales of Licensed Products sold by Licensee and its Affiliates or its Sub-licensees during such calendar quarter and the amount of royalties payable.

EXCLUSIVE LICENSE AGREEMENT

5.2 Licensee and its Affiliates or Sublicensees shall maintain a true and correct set of records pertaining to its performance or the performance of its Affiliates or Sub-licensees under this License Agreement. Licensee agrees to permit an auditor selected by Licensor and reasonably acceptable to Licensee to have access, during the term of this License Agreement and for a period of two (2) years thereafter, and during ordinary business hours to such records as are maintained by Licensee and its Affiliates and Sub-licensees as may be necessary, in the opinion of such auditor, to determine the correctness of any report and/or payment made under this License Agreement. If Licensor receives royalties based on Net Profit pursuant to Paragraph 4.1, Licensor's auditors will limit their access to relevant sales information for the Licensed Products only.

6. PATENTS & INFRINGEMENTS

6.1 Licensee, at its expense, may carry on processing the said U.S. Patent application and may decide to obtain foreign patents (or reissues, renewals, divisionals, extensions or continuations thereof) on Licensed Patent in foreign countries. Licensor shall cooperate fully with Licensee in preparation, filing and prosecution of the U.S. and all foreign patent applications filed pursuant to this paragraph, which cooperation shall include, but not be limited to, the execution by Licensor and its faculty and other employees of any and all such papers and instruments as are necessary or helpful to Licensee in preparing, filing, and prosecuting all foreign patent applications. Licensee shall have the sole right to determine if it will continue with any such processing, prosecution or maintenance of any patent. However if Licensee does not so desire to prosecute or maintain said patents in the U.S. or in Foreign countries, it shall so advise Licensor in a timely manner, so as to enable Licensor(s) to assume responsibility if Licensor(s) desire for such matter at its own expense. Pursuant to this section, if Licensor(s) submit the Patent Application or any parts of the Patent Application (or reissues, renewals, divisionals, extensions or continuations thereof) in the U.S. and/or foreign countries then an amendment will be made to this agreement concerning royalty distribution mutually agreed by all parties in writing.

6.2 Licensee may secure counsel of its selection and may prosecute all patents. Licensee shall be responsible for paying all costs and expenses incurred prior to the Agreement Date related to the securing of patent protection on the Subject Technology in the United States and for all foreign patent expenses incurred or to be incurred thereafter.

6.3 If it is believed in good faith that patent rights are infringed by a third party, the party to this License Agreement first having knowledge of such infringement shall promptly notify the other in writing, which notice shall set forth the facts of such infringement in reasonable detail. Licensee shall have the right, but not the obligation, to institute and prosecute at its own expense any such infringement of the patent rights. If Licensee fails to bring such action or proceedings within a period of six (6) months after receiving written notice or otherwise having knowledge of such infringement, then Licensor shall have the right, but not the obligation to prosecute at its own expense any infringement of the patent rights. Any recovery of damages and costs in such suits shall be apportioned as follows: the party bringing suit shall first recover an amount equal to two times the costs and expenses incurred by such party directly related to the prosecution of such action and the remainder shall be divided as decided in section 4.1 above between Licensee and Licensor.

6.4 In the event that Licensee is sued by a third party for patent infringement based upon Licensee's manufacture, use or sale of Licensed Products which incorporate or are made pursuant to the Subject Technology, then Licensee will have the right to defend such lawsuit at its expense and Licensee shall have full control of such lawsuit including the right to settle the same without Licensor consent. The parties agree that in the event of such a lawsuit, and commencing with the service of a complaint upon Licensee, the payment of all fees pursuant to this License Agreement, will be suspended until final resolution of such a lawsuit. In the event that such lawsuit is terminated (by final adjudication, settlement, arbitration or by any other means) in a manner that permits Licensee to make, use and sell Licensed Products then Licensee, commencing on the date of the termination of said lawsuit, will again be obligated to pay all royalties delineated in this License Agreement from and after the date of suspension of such payments.

7. SUB-LICENSEES

Licensee may grant part or all of its own rights to Affiliates and Sub-licensees and shall not grant any rights which are inconsistent with the rights and obligations of Licensee hereunder. Licensee shall give Licensor prompt notification of the identity and address of each Affiliate and Sub-licensee with whom it concludes a sublicensing agreement and shall supply Licensor with a copy of such sublicensing agreements upon request.

8. WAIVER AND MODIFICATIONS

EXCLUSIVE LICENSE AGREEMENT

It is understood that this License Agreement contains the entire agreement between the parties relating to the Subject Technology and to the Licensed Products. Neither party shall be bound by any agreement, covenants or warranties made by its agents or employees, or any other persons, unless such agreements, covenants and warranties shall be reduced to writing and signed by an officer of each party. The failure of either of the parties at any time or times to require performance by the other of any provisions hereof shall in no manner affect the right of the first-mentioned party thereafter to enforce the same. The waiver by either of the parties of any breach of any provision hereof shall never be construed to be a waiver of any succeeding breach of such provision or a waiver of the provision itself.

9. TERMINATION

9.1 Unless earlier terminated as hereinafter provided, this License Agreement shall extend and continue in full force and effect for the life of this Licensed Patent if it is granted with respect to Licensed Products which are covered by a Licensed Patent. With respect to the sale of patented Licensed Products, in no event shall this License Agreement be deemed to in any way extend the obligation of Licensee to pay royalties or other fees beyond the expiration or holding of invalidity of all Valid Claims of Licensed Patent.

9.2 In the event of default or failure by either party to perform any of the terms, covenants or provisions of this License Agreement, the non-performing party shall have one year (365) days after the giving of written notice of such default by the other party to correct such default. If such default is not corrected within the said one year (365) day period after notice as aforesaid, the performing party shall have the right, at its option, to cancel and terminate this License Agreement. Either party shall have the right, at its option, to cancel and terminate this License Agreement in the event that the other party shall become involved in insolvency, dissolution or bankruptcy affecting the operation of its business or in the event that the other party shall discontinue its business for any reason. In the event of termination of this License Agreement except pursuant to Paragraph 9.1, all rights licensed by Licensor to Licensee hereunder shall revert to Licensor.

9.3 No termination of this License Agreement shall constitute a termination or a waiver of any rights of either party against the other party accruing at or prior to the time of such termination.

10. ASSIGNABILITY

This License Agreement shall be binding upon and shall inure to the benefit of Licensor and its successors in interest, and shall be binding upon and shall inure to the benefit of Licensee and the successor to its entire business, but shall not otherwise be assignable to another party other than Licensee, without prior written and signed approval is obtained from the owner of Licensee.

11. LAW

This License Agreement shall be construed according to the laws of the State of California, United States of America; provided, however, that any patent question or controversy shall be resolved in the courts having jurisdiction over the patent or patents in question and in accordance with the laws applicable to such patent or patents. The parties hereby irrevocably submit to the personal jurisdiction of the state courts of California in Riverside County, California and the United States District Court in the state of California District of California, over any suit, action, or proceeding arising out of or relating to this License Agreement.

12. ADDRESSES

For the purpose of reports and notices herein set forth, the addresses set forth in the introductory paragraph of this License Agreement shall be used unless changed by written notification to the other party. All such reports and notices shall be addressed to the party to the attention of the officer executing this License Agreement on behalf of said party.

13. ADDITIONAL PROVISIONS

EXCLUSIVE LICENSE AGREEMENT

13.1 Use of Licensee and Licensor Names. All parties agree that they may not use in any way the name of Licensee or any Licensor or any logotypes or symbols associated with Licensee and Licensors or the names of any researchers at Licensee and Licensors without the prior written consent of the Licensee and Licensors.

13.2 Confidentiality: Licensee and all the licensors agree to maintain the Subject Technology in confidence and to use the same only in accordance with this License Agreement. Such obligation of confidentiality shall not apply to information which Licensee or Licensor can demonstrate: (i) was at the time of disclosure in the public domain; (ii) has come into the public domain after disclosure through no fault of all parties or its sub-licensees; (iii) was known to any party prior to disclosure thereof by another party or (iv) was lawfully disclosed to any party without obligation of confidence by a third party which is not under an obligation of confidence to parties with respect thereto.

13.3 Indemnity: Each party shall notify the other of any claim, lawsuit or other proceeding related to the Licensed Products. Subject to the following sentence, Licensee agrees that it will defend, indemnify and hold harmless Licensor from and against any claims or lawsuits filed against the Licensor related directly to or arising out of the design, manufacture, sale, or use of the Licensed Product(s) by Licensee or its Affiliates or any of their Sub-licensees. Notwithstanding any provisions herein to the contrary, Licensor shall indemnify Licensee for any claims for injuries to persons or damages which occur on Licensor premises or premises under exclusive control of Licensor. Licensee will also assume responsibility for all costs and expenses related to such claims and lawsuits for which it is obligated to indemnify the Licensor pursuant to this Section, including the payment of all attorneys fees and costs of litigation.

13.4 Licensor's Disclaimers: Licensor will not assume any responsibility for the manufacture, product specifications, or use of the Licensed Products which are manufactured by or for or sold by Licensee or by any of its Affiliates or Sub-licensees. All warranties in connection with the Licensed Products shall be made by Licensee (or the particular Licensee Affiliate or sub-licensee that is involved) as the manufacturer or seller thereof and none of such warranties shall directly or by implication in any way obligate Licensor. Licensor warrants that it has received no notice of infringement or any other notice from third parties indicating that the Licensed Product(s) infringes any patent or claiming rights.

13.5 Disclaimer of Warranty: Licensee makes no warranties or representations, expressed or implied including but not limited to warranties of fitness or merchantability regarding the Licensed Product(s).

LICENSEE:

NOVA R&D, Inc

T. Tümer

Officer entitled to sign: Tümay O. Tümer

By: T. Tümer

Title: CEO and President

LICENSOR(S):

University of Toronto, (Martin Yaffe, Gordon Mawdsley and James Mainprize)
c/o Sunnybrook & Women's College Health Sciences Centre, 2075 Bayview Avenue Toronto, ON M4N3M5,
Canada.

Officer entitled to sign:
Michael Julius

Title: ~~Vice President, Research~~

By: [Signature]

James Asbrock
1402 Pambara Circle Oceanside, CA 92054

Officer entitled to sign: James Asbrock

By: James Asbrock

Title: _____

Dale Maeding
c/o Innovative Design, 33501 Nancy Jane Ct. Dana Point, CA 92629
NOVA R&D, Inc.

PATENT

DRAFT EXCLUSIVE LICENSE AGREEMENT

c/o Innovative Design, 33501 Nancy Jane Ct. Dana Point, CA 92629

Officer entitled to sign: Dale Maeding

By: Dale H. Maeding
1/18/2001

Title: PRESIDENT

To be effective as of this Date: 1/18/2001