

PATENT ASSIGNMENT

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
COMMONWEALTH SCIENTIFIC AND INDUSTRIAL RESEARCH ORGANISATION	08/31/2011
RECEIVING PARTY DATA	
Name:	SECURENCY INTERNATIONAL PTY LIMITED
Street Address:	HUME HIGHWAY
City:	CRAIGEBURN, VICTORIA
State/Country:	AUSTRALIA
Postal Code:	3064
PROPERTY NUMBERS Total: 1	
Property Type	Number
Patent Number:	7281810
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NAME OF SUBMITTER:	RICHARD J. STREIT

Total Attachments: 11
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Assignment Deed – Patents relating to an optical device and methods of manufacture

CSIRO through the Future Manufacturing Flagship

Securrency International Pty Limited

Contents

	Page
1. Definitions and interpretation	1
1.1 Definitions	1
1.2 Interpretation	2
2. Assignment of the Patents	3
2.1 Assignment	3
3. Consideration	3
3.1 Fee	3
3.2 Payment	3
3.3 Records and audit	3
4. Disclosure	3
5. Disclaimer	4
6. Risk	4
6.1 Release and Indemnity	4
7. Use of name	4
8. Disputes	5
8.1 Good faith negotiations	5
8.2 Disputes generally	5
9. GST	5
10. Notices	6
11. General	6
11.1 Governing law	6
11.2 Costs and stamp duty	6
11.3 Entire agreement and giving effect to this Deed	6
11.4 Exclusion of agency, partnership and joint venture	6
11.5 Severability	7
11.6 No waiver	7
11.7 Consents	7
11.8 Non-merger	7
11.9 Counterparts	7
Schedule 1 – Patents	9

Assignment Deed – Patents relating to an optical device and methods of manufacture

Parties

1. **Commonwealth Scientific and Industrial Research Organisation** (ABN 41 687 119 230) a body corporate established pursuant to the provisions of the *Science and Industry Research Act 1949* (Commonwealth) and having its principal office at Limestone Avenue, Campbell, ACT, Australia, through its **Future Manufacturing Flagship** of Ian Wark Laboratory, Bayview Avenue, Clayton, Victoria 3168, Australia (**CSIRO**)
2. **Securency International Pty Limited** (ABN 13 072 353 452) of Hume Highway, Craigeburn, Victoria 3064, Australia (**Securency**)

Introduction

- A. CSIRO has been granted the Patents.
- B. CSIRO now wishes to assign the Patents to Securency and Securency wishes to accept that assignment on the terms and conditions of this Deed.

Operative clauses

1. Definitions and interpretation

1.1 Definitions

In this Deed, unless the context otherwise requires:

Patents means the patents and patent applications (if any) listed in Schedule 1.

Effective Date means 30 August 2011.

Exploit means, in relation to:

- (a) a product incorporating or created using any of the Patents – to make, hire, sell or otherwise dispose of the product, offer to make, sell, hire or otherwise dispose of it, use or import it, or keep it for the purpose of doing any of those things;
- (b) a method or process incorporating or created using any of the Patents – to use the method or process or do any act mentioned in paragraph (a) in respect of a product resulting from such use; or
- (c) to licence any third party to do any act mentioned in paragraphs (a) or (b),

and **Exploitation** shall be similarly construed.

Fee means the fee described in clause 3.1(b).

Financial Year means the period commencing on 1 July and ending on 30 June of the following year.

Net Sales Revenue means the gross monies or the monetary equivalent of consideration that is fairly attributable to the Exploitation of any of the Patents by Securency or any of its affiliates, licensees, sublicensees or agents,

less

- (d) all shipping and packaging costs and, sales and use taxes, which are separately charged to purchasers and identified on the relevant invoice in relation to those Products;

- (e) customs/duties paid by Securrency to ship the Products;
- (f) any applicable volume discounts and discounts agreed with purchasers in respect of those Products; and
- (g) all allowances due to returns.

By way of example, it is envisaged that Securrency will offer to its banknote customers, as a separately-priced feature, the option of incorporating into banknotes features that involve use of the Patents, and in that case, it is envisaged that the consideration fairly attributable to the sale of such features will be based on that separate pricing, rather than on the price charged by Securrency for the banknote substrate or other separately priced features.

Parties mean the parties to this Deed, and **Party** means any party to this Deed.

Product means any product that is based on, utilizes or contains or is made using any of the Patents and any product which otherwise Exploits any of the Patents.

1.2 Interpretation

The following rules also apply in interpreting this document, except where the context makes it clear that a rule is not intended to apply:

- (a) A recital, schedule, annexure or a description of the parties forms part of this Deed.
- (b) A reference to **dollars** or **\$** is to an amount in Australian currency.
- (c) Headings are for convenience only, and do not affect interpretation.
- (d) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it;
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a Party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that Party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (e) A singular word includes the plural, and vice versa.
- (f) If a word is defined, another part of speech has a corresponding meaning.
- (g) If an example is given of anything (including a right, obligation or concept), such as by saying it includes something else, the example does not limit the scope of that thing.
- (h) The word **agreement** includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (i) No provision of this document will be construed adversely to a Party solely on the ground that the Party was responsible for the preparation of this document or that provision.

2. Assignment of the Patents

2.1 Assignment

- (a) On and from the Effective Date, in consideration of the payment to CSIRO by Securency of the Fee, CSIRO assigns to Securency, and Securency accepts the assignment from CSIRO, of all CSIRO's right, title and interest in and to the Patents.
- (b) The assignment in clause 2.1(a) includes the right to bring an action for and to claim (and retain) any damages or other remedies for any infringement of those rights, including any infringement that may have arisen before the assignment.
- (c) On and from the Effective Date, Securency is solely responsible for all costs related to the Patents, including (without limitation) the costs of responding to any actions required by patent offices in any jurisdiction.
- (d) Securency will be responsible for, at its cost, recording or having recorded the assignment in any jurisdiction.
- (e) On and from the Effective Date, CSIRO must provide reasonable assistance as may be reasonably requested by Securency (at Securency's cost) to give effect to the assignment in clause 2.1(a).

3. Consideration

3.1 Fee

- (a) The consideration for the assignment in clause 2 is the payment by Securency of the Fee (GST exclusive).
- (b) On and from the date one or more of the Patents are Exploited, Securency must pay CSIRO:
 - (i) \$10,000 (GST exclusive) per annum; plus
 - (ii) 3% of any Net Sales Revenue (GST exclusive) received by Securency, until the date all the Patents have either lapsed or expired (**Fee**).

3.2 Payment

- (a) Securency must pay CSIRO the Fee within 60 days of the end of each Financial Year, and the Fee must be accompanied by a statement evidencing the calculation of those amounts.
- (b) Payments may be made either by bank cheque or to CSIRO's nominated bank account.

3.3 Records and audit

Securency must keep and, on CSIRO's reasonable request, make available to CSIRO complete and accurate written records and accounts in respect of all Exploitation of the Patents. CSIRO shall have the right, once per Financial Year, to audit those records and accounts. If the audit reveals that any amounts to be paid under this clause 3 are outstanding, Securency must immediately pay those amounts to CSIRO. If those amounts represent at least 5% of the total amount of payments due to CSIRO under this clause 3 in respect of that Financial Year, Securency must immediately pay or reimburse CSIRO for its reasonable costs of that audit.

4. Disclosure

CSIRO discloses and Securency acknowledges that it is anticipated that Patent(s) 1417517 will be opposed by third parties and subject to a European Patent Opposition.

5. Disclaimer

- (a) CSIRO has not made any and excludes all guarantees, terms, conditions or undertakings, whether express or implied, written or oral, statutory or otherwise including any implied warranty of merchantability or of fitness for a particular purpose in respect of the invention(s) the subject of the Patents. To the full extent permitted by law, all conditions or warranties imposed by such legislation are excluded.
- (b) To the full extent permitted by law, CSIRO will not be liable for any special, indirect or consequential damages (including loss of opportunity, business or reputation) arising under or pursuant to this Deed.
- (c) CSIRO has not made and does not by entering into this document make any representation, guarantee or warranty, express or implied:
 - (i) as to the utility of the invention(s) the subject of the Patents;;
 - (ii) as to the prospects of the successful Exploitation of the Patents;
 - (iii) as to the validity of the Patents or of any claims or statements of invention therein; or
 - (iv) that the use or Exploitation of the Patents will not infringe the Intellectual Property Rights or any other rights of any person.
- (d) Securency:
 - (i) uses and Exploits the Patents at its own risk; and
 - (ii) will make its own inquiries to determine that Exploitation of the invention the subject of the Patents, and any product or process made or used in accordance therewith, will not infringe any third party's intellectual property rights and will be responsible for entering into any necessary licences.

6. Risk

6.1 Release and Indemnity

- (a) Securency releases CSIRO from any and all liability that may arise or may have arisen against CSIRO or its officers, employees or agents, whether at common law, in equity or pursuant to statute or otherwise, howsoever arising out of any Exploitation by or on behalf of Securency of the invention the subject of the Patents, or any product or process made or used in accordance therewith.
- (b) Securency indemnifies CSIRO and will continue to indemnify CSIRO (including its employees, officers or agents) from and against all loss, liability, expense, demands, claims or proceedings (including those brought by third parties) which may be brought against CSIRO whether at common law, in equity or pursuant to statute or otherwise, arising out of Securency's exercise of its rights under this Deed, including without limitation in relation to the Exploitation of the Patents or any product or process made or used in accordance therewith, including in respect of product liability, infringement of intellectual property rights, and any loss, death, injury, illness or damage (whether personal or property), and from any against all damages, costs and expenses incurred in defending or settling any such claim, proceeding or demand.

7. Use of name

Securency must not:

- (a) use the name, logo, trademarks, or other indicia of the CSIRO (or any shortened or phonetically similar version of such name, logo or indicia) in any way whatsoever;

- (b) represent a connection with or a sponsorship or endorsement of CSIRO whether in writing or orally (such as in presentations or discussions with any third party); or
 - (c) refer to the involvement of CSIRO in connection with this Deed, save as required by law, without the prior written consent of CSIRO.
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8. Disputes

8.1 Good faith negotiations

The Parties shall without delay and in good faith attempt to resolve any dispute or difference which may arise between them in relation to this Deed.

8.2 Disputes generally

Any dispute or difference relating to a matter shall be resolved in accordance with the following procedure:

- (a) The Party claiming that a dispute exists shall notify the other Party that a dispute exists, providing particulars of the issues in dispute, and within 10 days the Parties will submit such dispute or difference to in the case of Securency, its CEO, and in the case of CSIRO, its Flagship Director of the Future Manufacturing Flagship for resolution.
 - (b) If the dispute or difference is not resolved by the persons referred to in subclause (a) (or their nominee), within such time as they agree but not being more than 60 days after the date the dispute is referred to them, then the Parties agree that it shall be referred to arbitration through the Australian Commercial Disputes Centre before any Party is entitled to commence any proceedings in a court of competent jurisdiction in respect of such dispute or difference.
 - (c) The decision of the arbitrator (including any award as to costs) will be final and binding.
 - (d) The dispute resolution process, including details and the existence of the dispute will be Confidential Information to both Parties.
 - (e) Nothing in this clause shall preclude a Party from seeking urgent interlocutory relief in a court of competent jurisdiction.
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9. GST

- (a) If GST is imposed on a Supply made under or in connection with this Deed, then, to the extent that:
 - (i) the consideration for that Supply is not already stated to include an amount in respect of GST; or
 - (ii) the amount of GST stated to be included in the consideration is less than the amount of GST liability actually incurred by the Supplier in respect of that Supply,the Supplier of the Supply may increase the consideration by the applicable amount of GST and the Recipient must pay that increased amount at the same time and in the same manner as any part of the consideration is payable to the Supplier in respect of the Supply.
- (b) Where any expenses incurred by a Supplier are to be reimbursed by the Recipient under this Deed, the reimbursable amount shall be determined as follows:
 - (i) first, any amount which the Supplier is entitled to claim as an Input Tax Credit shall be deducted from the cost to the Supplier of the expense item to arrive at an "Actual Cost"; and

- (ii) second, the Actual Cost shall be increased by and to the extent of an amount of GST payable by the Supplier in respect of the Supply to the Recipient for which the expense item is consideration.
- (c) If the GST payable by the Supplier on a Taxable Supply is varied pursuant to any change in legislation, the consideration payable under this Deed must be increased or decreased to reflect that variation of the GST.
- (d) The Recipient is not required to pay any amount of GST to the Supplier unless the Supplier has provided a Tax Invoice to the Recipient.
- (e) For the purposes of this clause 8, **Input Tax Credit, Recipient, Supplier, Supply, Tax Invoice and Taxable Supply** have the meanings attributed to those terms in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).

10. Notices

All notices, requests or consents hereunder shall be in writing and shall be sent by postage prepaid or sent by fax (provided the machine from which it is sent produces a confirmation report that states that it was sent in full), or sent by email confirmed in writing, to each Party at its offices first mentioned above or at such other address as it has furnished in writing to the other Party. All notices, requests or consents shall be deemed to have been given on the day sent by fax (provided confirmation report states that it was sent in full) or email (provided a confirmation is received), or in the case of a letter, 5 days after being deposited in the post.

11. General

11.1 Governing law

This Deed shall be deemed to be entered into in the State of Victoria, Australia, and shall be governed by and interpreted in accordance with the laws in force in the State of Victoria, Australia, and the Parties submit to the exclusive jurisdiction of the courts of the State of Victoria, Australia.

11.2 Costs and stamp duty

- (a) Each Party shall bear its own costs (including legal costs) incurred in connection with the preparation and execution of this Deed and any other document or instrument required to be executed to complete this Deed.
- (b) All stamp duty (including fines, penalties and interest) which may be payable on this Deed or any instrument executed under this Deed in respect of a transaction evidenced by this Deed shall be borne by Securrency.

11.3 Entire agreement and giving effect to this Deed

- (a) This Deed constitutes the entire contract between the Parties in relation its subject matter. All prior or contemporaneous agreements, proposals, understandings and communications between or involving the Parties, whether oral or written, are merged into this Deed.
- (b) Each Party must do anything (including execute any document), and must ensure that its employees and agents do anything (including execute any document), that the other Party may reasonably require to give full effect to this Deed.

11.4 Exclusion of agency, partnership and joint venture

Nothing in this Deed is to be treated as creating a partnership or joint venture between the Parties under the laws of any applicable jurisdiction and no Party may act or has any authority to act as agent of or in any way bind or commit the other Party to any obligation.

11.5 Severability

Any part, term or provision of this Deed, which is determined to be invalid or unenforceable shall be severed hence from and the remaining parts, terms and provisions shall remain in full force and effect.

11.6 No waiver

- (a) No waiver by a Party of any condition, part, term or provision of this Deed shall be construed as a waiver of any other condition, part, term or provision of this Deed, nor will such waiver be construed as a waiver of such condition, part, term or provision in respect of any future event or circumstance.
- (b) Any failure by a Party to compel performance by the other Party of any condition, part, term or provision of this Deed will not constitute a waiver of that condition, part, term or provision of this Deed, nor will it affect or impair the right to enforce any rights or obligations under that condition, part, term or provision of this Deed at a later time or to pursue remedies for any breach of that condition, part, term or provision of this Deed.

11.7 Consents

Where this Deed contemplates that a Party may agree or consent to something (however it is described), the Party may:

- (a) agree or consent, or not agree or consent, in its absolute discretion; and
- (b) agree or consent subject to conditions.,

unless this Deed expressly contemplates otherwise.

11.8 Non-merger

The warranties, covenants and agreements of the Parties herein shall remain in full force notwithstanding the completion of this Deed and shall not merge on completion.

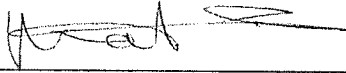
11.9 Counterparts

This Deed may be executed in counterparts.

Execution

Executed as a deed

Signed, sealed and delivered for and on behalf
of Commonwealth Scientific and Industrial
Research Organisation by:



(Signature of authorised person)

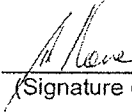
S. MAK

(Print name of authorised person)

31/8/2011

(insert date)

in the presence of:

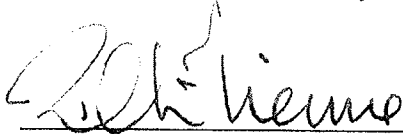


(Signature of witness)

A. HOWE

(Print name of witness)

Signed, sealed and delivered for and on behalf
of Security International Pty Limited by:



(Signature of authorised person)

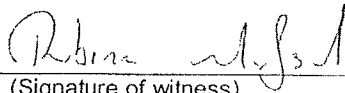
Mr Philippe Etienne
Managing Director

(Print name of authorised person)

30 August 2011

(insert date)

in the presence of:



(Signature of witness)

RUBINA MASUD

(Print name of witness)

Schedule 1 – Patents

Internal ID	Title	Priority Date	Serial No.	Patent No.	Status
TW7016/AU	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	2002252818	2002252818	Granted/Sealed
TW7016/DE	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	02721837.9	1417517	Granted/Sealed
TW7016/EP	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	02721837.9	1417517	Granted/Sealed. It is anticipated that the patent will be opposed by third parties.
TW7016/FR	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	02721837.9	1417517	Granted/Sealed
TW7016/GB	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	02721837.9	1417517	Granted/Sealed
TW7016/US	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	10/701975	7281810	Granted/Sealed
TW7016/WO	AN OPTICAL DEVICE AND METHODS OF MANUFACTURE	08/05/2001	PCT/AU02/00551		Expired at end of life