

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
Raft Trustees Limited	11/21/2012
RECEIVING PARTY DATA	
Name:	PharmEcosse Limited
Street Address:	14 City Quay
City:	Dundee
State/Country:	UNITED KINGDOM
Postal Code:	DD1 3JA
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	11960327
CORRESPONDENCE DATA	
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<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
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ATTORNEY DOCKET NUMBER:	2207084.00120US1
NAME OF SUBMITTER:	Kathleen M. Bastarache
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DATED 6TH OCTOBER 2012

Raft Trustees Limited (1)
("RAFT")

and

PharmEcosse Limited (2)
("PharmEcosse")

**INTELLECTUAL PROPERTY
ASSIGNMENT**

THIS AGREEMENT is made on 6TH OCTOBER 2012

BETWEEN:

- (1) **RAFT Trustees Limited**, a company incorporated in England (Company Number: 03115825), whose registered address is the Leopold Muller Building, Mount Vernon Hospital, Northwood, Middlesex, HA6 2RN, UK ("RAFT"); and
- (2) **PharmEcosse Limited** a company incorporated in Scotland (Company Number: SC 344147), whose registered address is 14 City Quay, Dundee, DD1 3JA, UK ("PharmEcosse").

BACKGROUND:

- (A) RAFT is the proprietor of the Licensed Technology and wishes to assign the Licensed Technology to PharmEcosse for the consideration and on the terms set out in this Agreement.
- (B) RAFT has authorised HEE to act as its exclusive agent for the purposes of commercialising the Licensed Technology and has authorised HEE to collect any payments due under the terms of this Agreement.
- (C) PharmEcosse, having concluded the Main Funding round, paid the sum of £30,000 and on notifying RAFT of its intention to exercise its option to receive the assignment under the Licence Agreement, is entitled to take control of the intellectual property relating to the Licensed Technology.

OPERATIVE TERMS

RAFT and PharmEcosse ("**Parties**" and each a "**Party**") agree as follows:

1 Interpretation

1.1 In this Agreement, the following words have the following meanings:

"**Effective Date**" means [date]

"**HEE**" Health Enterprise East a company limited by guarantee (Company Number: 05285665) whose principal place of business is Papworth Hospital, Papworth Everard, Cambridge CB23 3RE who will act as RAFT's exclusive agent for the purposes of collecting any payments and reports due under the terms of this Agreement.

"Inventions" means the subject matter of the Patents;

"Know-how" means technical information in the Field held by RAFT relating directly or primarily to the inventions claimed in the Patents.

"License Agreement" means the agreement dated 2nd October 2009 between RAFT and PharmEcosse;

"Licensed Products" means any product, process or use which incorporates, or the development of which makes use of, any of the Licensed Technology.

"Licensed Technology" means together the Patents and the Know-how;

"Net Sales Value" means in respect of any sale or disposal of the Licensed Products, directly by PharmEcosse or directly by sub-licensees or the sale of the Licensed Technology, either:

- (a) the price of the Licensed Product or the Licensed Technology invoiced to an independent third party in an arm's length sale, or disposal of the Licensed Products or the Licensed Technology;
or
- (b) the price that would have been invoiced if such sale or disposal of the Licensed Products or the Licensed Technology had been at arm's length to an independent third party

and in both cases without deduction of any commission paid to any third party and before the payment to any third party of any other costs, expenses or outstanding debts but less the following permitted deductions:

- i. related arm's length trade discounts or credits given; and
- ii. provided the amounts are separately charged on the relevant invoice, any related costs of packaging, insurance, carriage and freight, any value added tax or other sales tax, and any import duties or similar applicable government levies.,

"Patents" mean any and all of the patents and patent applications referred to in Schedule 1 together with any patents granted pursuant to those applications and any continuations, continuations in part, extensions, reissues, divisions and supplementary protection certificates that derive priority from the foregoing.;

"Royalty" means the royalty specified in clause 4.0; and

"Payment Period" means each period of 6 months ending on 31st March or 30th September.

1.2 In this Agreement (except where the context otherwise requires):

- (a) any reference to a clause or schedule is to the relevant clause or schedule of or to this Agreement and any reference to a sub-clause or paragraph is to the relevant sub-clause or paragraph of the clause or schedule in which it appears;
- (b) the clause headings are included for convenience only and shall not affect the interpretation of this Agreement; and
- (c) any reference to "persons" includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations and trusts (in each case whether or not having separate legal personality).

1.3 If a provision of this Agreement is inconsistent with a provision of an annex to this Agreement, the provision of this Agreement prevails.

2 Assignment

2.1 RAFT assigns to PharmEcosse (subject to clause 2.2 and Clause 3) all rights RAFT has and may have to :

- (a) the Licensed Technology;
- (b) apply for, prosecute and obtain patent or similar protection throughout the world in respect of the Inventions and including the right to claim priority from any of the Patents; and
- (c) take all actions and proceedings as may be necessary and recover damages or otherwise in respect of any infringement of the rights assigned by this Agreement in respect of any infringements which occurred before the date of this Agreement.

2.2 RAFT shall execute all other documents as PharmEcosse may from time to time require to give effect to clause 2.1 or for the purpose of registering the assignment contained in clause 2.1.

2.3 Notwithstanding anything to the contrary in this Agreement, RAFT reserves the right for RAFT or its nominee to use the Inventions, the Patents, the intellectual property rights and the Know-how for the purposes of non-commercial publication, teaching and research, provided that:

- (a) The results of any such research shall be made available to PharmEcosse at no cost; and
- (b) No such publication shall be made if, reasonably, it will or might have a material, adverse effect on PharmEcosse's enjoyment, use and exploitation of the rights granted to it under this Agreement and PharmEcosse can demonstrate that it would cause such adverse effect.

- 2.4 RAFT shall, at the expense and request of PharmEcosse, use all reasonable endeavours to do or procure to be done all further acts and things and execute or procure the execution of all other documents as PharmEcosse may from time to time reasonably require for the purposes of giving PharmEcosse the full benefit of the assets, rights and benefits transferred to PharmEcosse under this Agreement.
- 2.5 PharmEcosse shall use its best endeavours to exploit commercially the Licensed Technology to the fullest extent practicable and promote the production, use and sale of the Licensed Products.
- 2.6 RAFT may at any time by notice to PharmEcosse request written evidence to RAFT's reasonable satisfaction from PharmEcosse of:
- (a) the development by PharmEcosse of the Licensed Technology for the purpose of commercial exploitation within the period starting on the date of this Agreement and ending on the date on which all the Patents have expired or been revoked without the right of further appeal; and
 - (b) the commercial exploitation by PharmEcosse of the Licensed Technology to the fullest extent practicable within the period starting from the date of this Agreement and ending on the date on which all the Patents have expired or been revoked without the right of further appeal.

Provided that such requests will be limited to one per calendar year.

3 Reassignment

- 3.1 PharmEcosse shall use its best endeavours to:
- a) raise sufficient further funding, beyond the Main Funding (as defined in the License Agreement), to enable progression of the Licensed Technology in order to bring it to market; or
 - b) enter a transaction or arrangement with a commercial partner that will, or is reasonably likely to, enable the Licensed Technology to be taken to market.
- 3.2 Subject to Clause 3.7, the Licensed Technology shall be assigned back to RAFT if PharmEcosse fails to either: comply with Clause 3.1; or, secure a deal with a commercial partner that will enable the Licensed Technology to be taken to market within ten (10) years after the Commencement Date of the License Agreement.
- 3.3 Subject to Clause 3.6, PharmEcosse shall endeavour to complete the Breast Reduction Study within 5 years after the Commencement Date of the License Agreement. If PharmEcosse fail to complete the Breast Reduction Study within 5 years of the Commencement Date of the License Agreement, the Licensed Technology shall be assigned back to RAFT.

3.4 PharmEcosse shall give RAFT at least three months' written notice of PharmEcosse's intention to abandon the prosecution or registration of a Patent. If PharmEcosse:

- (a) gives that notice; or
- (b) fails to give that notice and abandons the prosecution or registration of a Patent,

RAFT may, by written notice to PharmEcosse, request PharmEcosse to re-assign to RAFT at the expense of PharmEcosse that Patent and its corresponding Invention, the related intellectual property and the Know-how and any patent application or patents or any other intellectual property rights related to or improvements upon that Patent and its corresponding Invention free of all charges, liens, encumbrances or equities within 30 days after the date of RAFT's notice.

3.5 If PharmEcosse ceases to carry on business, is unable to pay its debts when they fall due, is declared bankrupt, or an order is made or a resolution passed for the winding up of PharmEcosse or the appointment of an administrator, receiver, liquidator or manager of PharmEcosse, then RAFT may, by written notice to PharmEcosse, request PharmEcosse to re-assign to RAFT at the expense of PharmEcosse any or all of the Patents, the Inventions, the intellectual property rights and the Know-how and any Patent application or Patents or any other intellectual property rights related to or improvements upon the Inventions and Patents free of all charges, liens, encumbrances or equities within 30 days of the date of RAFT's notice.

3.6 PharmEcosse shall, at the request of RAFT, use reasonable endeavours to do or procure to be done all further acts and things and execute or procure the execution of all other documents as RAFT may from time to time reasonably require for the purposes of giving RAFT the full benefit of the assets, rights and benefits that may be re-assigned to RAFT under this clause 3.

3.7 Subject to clauses 3.5 and 7 if and when PharmEcosse has made all payments due from it to RAFT under the Licence Agreement and this Agreement (including payment of the maximum Royalty) and if PharmEcosse is not then otherwise in breach of this Agreement, PharmEcosse shall have no other or further performance obligations under this Agreement and RAFT's termination rights under this Agreement shall be deemed deleted and/or limited accordingly.

4. Royalty Payments

4.1 PharmEcosse shall pay to HEE on behalf of RAFT an ongoing Royalty of 4% of Net Sales Value subject to a maximum total Royalty payment of £600,000. This sum comprises any and all Royalties paid under the License Agreement together with any and all sums paid under this Agreement.

4.2 Royalties shall become due upon the earlier of: (1) the date of the relevant

invoice for Net Sales Value; and, (2) the date when the relevant Licensed Product or Licensed Technology is delivered to the customer. PharmEcosse shall pay Royalties within 30 days after: (A) the end of the relevant Payment Period within which such Royalties became due, provided that such Royalties arise in respect of Net Sales Value derived from direct sales by PharmEcosse; and, (B) the end of the relevant Payment Period within which PharmEcosse has been paid by its sub-licensee, provided that such Royalties arise in respect of Net Sales Value derived from indirect sales by PharmEcosse's sub-licensees. (Notwithstanding the foregoing, PharmEcosse will use its best endeavours to recover bad debts and to expedite slow payments.)

- 4.3 As part of Royalty, PharmEcosse shall pay HEE on behalf of RAFT within 30 days after receipt by PharmEcosse:
- (i) 4% of all upfront fees received as Sub-Licence Income; and
 - (ii) 4% of any other Sub-Licence Income not included in sub-clause 4.3(i).
- 4.2 PharmEcosse shall not accept and shall ensure sub-licensees do not accept, without the prior written consent of RAFT (not to be withheld or delayed unreasonably), any non-monetary consideration for any Licensed Product.
- 4.4 All consideration and any other monies due under this Agreement are exclusive of Value Added Tax which where applicable shall be paid by PharmEcosse to HEE on behalf of RAFT.
- 4.6 PharmEcosse shall be responsible for collecting and paying to HEE all payments due to RAFT in respect of sub-licensing, including Royalties.
- 4.7 All payments shall:
- (a) be made in pounds sterling by telegraphic transfer to the account of Health Enterprise East Limited at Barclays Bank Plc of West Anglia Business Banking, PO Box 421, 1 Church Street, Peterborough, PE1 1QP, sort code 20-43-63, account number 70021687;
 - (b) in the event of a change in the national currency of the United Kingdom, be converted from pounds sterling into the new national currency of the United Kingdom at the buying rate of such new currency as quoted by Barclays Bank plc in London on the day when such currency change comes into force;
 - (c) in the case of monies received by PharmEcosse from sales in a currency other than pounds sterling, be calculated in the other currency and then converted into the national currency of the United Kingdom at the buying rate of such other currency as quoted by Barclays Bank plc in London as at the close of business on the last business day of the Payment Period with respect to which the payment is made;
 - (d) be made by the due date, failing which HEE on behalf of RAFT may

charge interest on any outstanding amount on a daily basis at 3% above Barclays Bank plc base lending rate then in force or under the Late Payment of Commercial Debts (Interest) Act 1998, whichever shall be the more favourable to RAFT; and

(e) be made without deduction of income or corporation tax or other taxes on profit.

4.8 Each payment due under this Clause 4 shall be accompanied by a financial report in the form set out in Annex 2.

5. Reporting and Accounts

5.1 PharmEcosse shall report to HEE the date of first sale of a Licensed Product within 60 days after the occurrence thereof.

5.2 PharmEcosse shall keep at its normal place of business all information used to calculate payments due to RAFT under this Agreement including detailed and up to date records and accounts showing the quantity, description and value of Licensed Products sold by it, on a country by country basis ("Records"). PharmEcosse shall keep Records separate or otherwise make them extractable easily from its other business records and shall not dispose of Records until after the sixth anniversary of their creation.

5.3 PharmEcosse shall make Records available, on reasonable notice, for audit during business hours by HEE on behalf of RAFT, RAFT or another duly authorised representative of RAFT for the purpose of verifying the accuracy of the Records (the "Audit"). The representative shall be required to keep confidential all information learnt during any such Audit, and to disclose to HEE and RAFT only such details as may be necessary to report on the accuracy of the Records. RAFT shall be responsible for its representative's (including HEE's) professional charges unless the representative certifies that there is an inaccuracy, against RAFT's interests, of more than 5% in any Royalty paid, in which case PharmEcosse shall pay the representative's charges in respect of that Audit. PharmEcosse shall pay any undisputed underpayment reported by the representative within 30 days after receipt of a RAFT invoice requiring payment of the same. Such Audits will be carried out no more than once per calendar year.

5.4 PharmEcosse shall send HEE within 30 days after each anniversary of this Assignment an updated, written development plan, covering as a minimum the 12 months preceding the anniversary and the 12 months following it. The report shall show:

- (a) the projected dates of first and actual sale of a Licensed Product;
- (b) milestone progression (dates for projected and achieved milestones);
- (c) clinical development to date and plans; and

- (d) all past, current and projected activities taken or to be taken by PharmEcosse to bring Licensed Products to market and maximise the sale of Licensed Products in the Territory.

6. Warranties

6.1 Warranties by RAFT:

RAFT warrants, represents and undertakes that to the best of its knowledge and belief (but without having performed any searches or investigations into the existence of any third party rights that may affect any of the Licensed Technology) that:-

- (a) RAFT is the owner of the Patents by virtue of the assignment to the Trust by all Inventors known to the Trust of their intellectual property rights in the Licensed Technology;
- (b) RAFT therefore has the right to grant the assignment set out in clause 2.1; and,
- (c) There are no claims, or potential claims, whether made or intimated at the Effective Date, available to any third party which will or reasonably might adversely affect PharmEcosse's rights to the Licensed Technology.

6.2 Without prejudice to the generality of Clause 6.4, RAFT does not give any warranty, representation or undertaking as to the efficacy, usefulness, safety or commercial or technical viability of the Licensed Technology and/or the Licensed Products.

6.3 All other warranties are excluded to the fullest extent permitted by law and that the Licensed Technology is provided "as is" and specific results cannot be guaranteed. PharmEcosse shall be exclusively responsible for the technical and commercial development and manufacture of Licensed Products and for incorporating any modifications or developments thereto that may be necessary or desirable and for all Licensed Products sold or supplied.

6.4 Except as provided in clause 6.1, RAFT makes no representations or warranties of any kind, express or implied, concerning the Licensed Technology including (i) as to the satisfactory quality or fitness for a particular purpose (ii) as to the absence of latent or other defects, whether or not discoverable (iii) as to the validity or scope of the Patents or (iv) that the exploitation of the Licensed Technology or any Licensed Product will not infringe any patents or other intellectual property rights of a third party and all conditions, warranties or other terms implied by statute or common law are excluded from this Agreement to the fullest extent permitted by law.

7 Liability and indemnity

- 7.1 Nothing in this Agreement shall exclude or restrict the liability of RAFT to PharmEcosse for death or personal injury resulting from negligence or for fraudulent misrepresentation or in any other circumstances where liability may not be so limited under any applicable law.
- 7.2 Subject to Clause 7.1 RAFT shall not be liable to PharmEcosse whether in contract, tort, negligence, under indemnity or for breach of statutory duty or otherwise for (i) loss of revenue or profit or other financial or economic loss or (ii) any indirect or consequential loss or damage, costs or expenses whatsoever and howsoever arising under or in connection with this Agreement.
- 7.3 Subject to clauses 7.1 and 7.2 the total liability of RAFT to PharmEcosse whether in contract, tort, negligence, breach of statutory duty or otherwise for any direct loss or damages, costs or expenses arising under or in connection with this Agreement shall not exceed the lesser of:
- a) the Royalties as have been paid to RAFT under this Agreement within the 12 months before the date of the claim; or
 - b) the sum of £50,000.

If this limitation is adjudged to be unreasonable in the circumstances, the limit of RAFT's liability shall be increased to the amount that RAFT can recover from its insurer in respect of its liability for direct loss suffered by PharmEcosse.

- 7.4 PharmEcosse indemnifies and shall keep indemnified RAFT against any costs, actions, claims, demands, liabilities, expenses, damages or losses (including without limitation consequential losses and loss of profit, and all interest, penalties and legal and other professional costs and expenses) arising from or in connection with any third party claim made against RAFT relating to PharmEcosse's use of the Patents, the Inventions, related intellectual property rights, the Know-how or from the sale of the Licensed Products.
- 7.5 The Royalties have been negotiated and agreed on the basis that RAFT may exclude or limit its liability to PharmEcosse as set out in this Agreement. PharmEcosse confirms that it has understood the scope and extent of these exclusions and limitations and acknowledges that it considers them reasonable in the circumstances.

8. Restriction of dealing

PharmEcosse shall not sell, assign, mortgage, charge or otherwise transfer any right, title or interest in the Licensed Technology before the time limits set out in Clause 3.1 have expired without the prior written consent of RAFT, such

consent not to be delayed or refused unreasonably and not to be refused at all if such refusal would defeat the objectives of Clause 3.1.

9 General

9.1 Any notice to be given under this Agreement shall be in writing and delivered by hand, prepaid registered post or facsimile to the party using the details set out in this Agreement. Notices are deemed to have been given:

- (a) if delivered by hand, at the time of delivery unless delivered after 5pm in the place of receipt or on a non-business day, in which case the notice is deemed to have been given at 9am the next business day;
- (b) if sent by registered post from within the United Kingdom, three business days after posting (or seven business days if posted from outside the United Kingdom); and
- (c) if sent by facsimile, at the time the facsimile is received shown in the transmission report as the time that the whole facsimile was sent unless received after 5pm in the place of receipt or on a non-business day, in which case the notice is deemed to have been given at 9am the next business day.

9.2 PharmEcosse acknowledges that in entering into this Agreement it has not relied on any representations or warranties about its subject matter except as expressly provided by the written terms of this Agreement.

9.3 This Agreement constitutes the entire agreement and understanding of the parties and supersedes all negotiations, understandings or previous agreement between the parties relating to the subject matter of this Agreement.

9.4 This Agreement and any documents to be entered into pursuant to it shall be governed by and construed in accordance with English law.

9.5 PharmEcosse shall not use the name, any adaptation of the name, any logo, trade mark or other device of RAFT or HEE, nor of the Inventors or RAFT's Contact in any advertising, promotional or sales materials without prior written consent obtained from RAFT or HEE in each case.

9.6 To the extent which is commercially feasible PharmEcosse shall mark each Licensed Product with the number of each issued Patent which applies to the Licensed Product.

10. Dispute resolution

10.1 The Parties agree that should any dispute arise between them in relation to this Agreement they shall meet as soon as practicable and negotiate in good faith with a view to resolving the dispute.

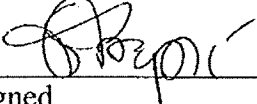
10.2 If the Parties are unable to settle any dispute by negotiation within 28 days the

Parties will attempt to settle it by mediation in accordance with the Centre for Effective Dispute Resolution (CEDR) Model Mediation Procedure.

- 10.3 To initiate a mediation a Party must give notice in writing to the other Party, requesting a mediation in accordance with this clause.
- 10.4 Nothing in this clause 10 shall restrict a Party seeking in any court of competent jurisdiction any interim or provisional relief that may be necessary to protect the rights or property of that Party.

AGREED by the parties through their authorised signatories:

For and on behalf of
Raft Trustees Limited

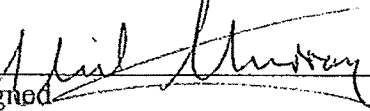

signed

LEONOR STJEPIC
print name

CEO
title

21-11-12
Date

For and on behalf of
PharmEcosse Limited


signed

NEIL MURRAY
print name

C. E.O.
title

6/10/12
date

Annex 1

The Patent

Part A The Patents

Title

Method of preventing or reducing scarring of human skin

Inventors

Linge Claire
Mackie Ian Paul

Filing Number(s)

US Patent Publication Number: US 2008/0182780 A1

Filing Date

31st July 2008

