

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT
CONVEYING PARTY DATA	
Name	Execution Date
PIVOT INTERNATIONAL, INC.	08/27/2014
BOBBY F. HARSHAW	08/27/2014
RECEIVING PARTY DATA	
Name:	PIVOT INTERNATIONAL, INC.
Street Address:	10932 STRANG LINE ROAD
City:	LENEXA
State/Country:	KANSAS
Postal Code:	66215
PROPERTY NUMBERS Total: 1	
Property Type	Number
Application Number:	13154963
CORRESPONDENCE DATA	
Fax Number:	(785)242-3308
<i>Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent using a fax number, if provided; if that is unsuccessful, it will be sent via US Mail.</i>	
Phone:	785-242-9500
Email:	dream@reamlawfirm.com
Correspondent Name:	REAM LAW FIRM, L.L.C.
Address Line 1:	210 W. TECUMSEH STREET
Address Line 4:	OTTAWA, KANSAS 66067
ATTORNEY DOCKET NUMBER:	89491
NAME OF SUBMITTER:	DALE J. REAM
SIGNATURE:	/Dale J. Ream/
DATE SIGNED:	09/12/2014
This document serves as an Oath/Declaration (37 CFR 1.63).	
Total Attachments: 6	
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PATENT

ASSIGNMENT WITH RIGHT OF REVERSION

This agreement, made this 27 day of Aug., 2014 by and between Bob Harshaw (ASSIGNOR), Harshaw Research, Inc. (AGENT) and Pivot International, Inc. (ASSIGNEE).

WHEREAS, ASSIGNOR is the owner of the Invention known as "Patriot Light" and covered by U.S. Patent Serial No. 13/154,963 entitled Solar Collection And Illumination Apparatus (the "Invention"), US D640,406 entitled Solar Flag Pole Light, D652,974 entitled Solar Flag Pole Light, and US Trademark PATRIOT LIGHT, Registration No. 4154899.

WHEREAS, AGENT has the authority, granted by ASSIGNOR, to negotiate and conclude commercialization arrangements with third-parties relative to the Invention, subject to the consent of ASSIGNOR.

WHEREAS, ASSIGNEE is in the business of product development and manufacturing and desires to add the Invention to its business assets and product line.

WHEREAS, ASSIGNEE has a desire to acquire ownership of the Invention and to include ASSIGNOR into the revenue stream of ASSIGNEE'S business related to the Invention.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below, the parties agree as follows:

ARTICLE I – DEFINITIONS

- (1) "Patent Rights" shall mean all United States and foreign patent applications related to the Invention, including the patents listed above and including any improvements, modifications, future developments, or changes whatsoever thereto made by ASSIGNOR or ASSIGNEE, and all patents which may issue on any of said applications, except as otherwise stated in Article IX, paragraph (2) of this Agreement.
- (2) "Trademark Rights" shall mean all brand names or other product identification claimed by ASSIGNOR, registered or unregistered, created to facilitate recognition of the Invention.
- (3) "Copyrights" shall mean any and all claims by ASSIGNOR to printed materials, registered or unregistered, created to define the features or attributes of the Invention.
- (4) "Intellectual Property Rights" shall include Patent Rights, Trademark Rights, and Copyrights as defined above as well as proprietary know-how, trade secrets, and other designs proposed by ASSIGNOR, ASSIGNEE or AGENT related to said Invention.
- (5) "Licensed Equipment" shall mean any and all products, services, or methodologies identified in said Intellectual Property Rights, substantial equivalents thereof, and additional embodiments, designs, modifications, and related products proposed by ASSIGNOR or ASSIGNEE.
- (6) "Gross Revenue" shall mean all revenue received by ASSIGNEE, whether said revenue is generated in the United States or internationally, subject to the terms of Article IX,

paragraph (2), less costs associated with development to bring the Product to market ready status,. Gross Revenue will also exclude any start-up capital raised or received by ASSIGNEE.

ARTICLE II - ASSIGNMENT

- (1) ASSIGNOR hereby consents to the terms of this Agreement.
- (2) Subject to the terms of this Agreement and, in particular, subject to the terms of Reversion in Article IV and subject to payment of the "Additional Payments" set forth in Article III, ASSIGNOR hereby sells, assigns, and transfers unto ASSIGNEE the full and exclusive right to the Invention in the United States and the entire right, title, and interest in the above referenced patent and any other Intellectual Property Rights as defined in Article I. Said transfer(s) shall be recorded in the United States Patent and Trademark Office immediately upon execution of this Agreement.

ARTICLE III – FEES, REVENUE SHARING, AND RECORDS

- (1) ASSIGNEE shall pay ASSIGNOR "Additional Payments" in U.S. dollars of Six Percent (6%) of Gross Revenue as defined in Article I, said Gross Revenue to begin accruing for purposes of said Additional Payments as soon as Gross Revenue is received by ASSIGNEE following execution of this Agreement. Said Additional Payments will continue until expiration of the last patent included in the Patent Rights shall expire.
- (2) The Additional Payments shall be paid within thirty (30) days following the end of each calendar quarter beginning in the first calendar quarter following the beginning of ASSIGNOR receiving Gross Revenue and being payable within thirty (30) days following the end of each calendar quarter thereafter. All payments due ASSIGNOR shall be payable to an account to be designated by AGENT. The parties agree that the ASSIGNEE shall treat the "Additional Payments" as a business expense with appropriate Federal and State tax reporting.
- (3) If any payment due herein is not timely paid, the unpaid balance shall bear interest until paid at an annual rate of 5%, compounded monthly, until the delinquent balance is paid.
- (4) Simultaneously with the "Additional Payments" required, ASSIGNEE shall provide ASSIGNOR in writing with an accounting of Gross Revenue received during the quarter covered by the Additional Payments.
- (5) ASSIGNEE shall keep books and records of all transactions related to this Agreement, and ASSIGNOR or his designee shall have the right to inspect and audit such books and records at any time during regular business hours upon one-week prior notice of an intent to inspect; provided, however, that such inspection shall not be exercised more than once during each calendar year.

ARTICLE IV – REVERSION

- (1) An assignment of patent rights is typically permanent and irrevocable and such is generally intended by this Agreement; however, the parties acknowledge that the Assignment according to this Agreement shall, at ASSIGNOR'S option, be reversed and the patent will revert back to the ownership of ASSIGNOR upon the occurrence of any of the conditions set forth in this Article.
- (2) The ASSIGNEE agrees to assign the Invention and patent back to ASSIGNOR if:
 - a. ASSIGNEE fails to pay said Additional Payments within 90 days after said payment is due;
 - b. ASSIGNEE fails to produce a product ready for market introduction within 24 months after execution of this Agreement;
 - c. ASSIGNEE fails to market or sell the Invention for more than six months, after initial market introduction, without intent to resume;
 - d. ASSIGNEE fails to pay USPTO maintenance fees relative to said Invention, whereby to maintain the patent associated therewith in active status. The next schedule maintenance fee is due _____;
- (3) If the ASSIGNEE fails to perform in any regard itemized herein, ASSIGNOR shall have the right to demand reversion of said Invention and patent upon thirty (30) days written notice. However, if said failure to perform is cured by ASSIGNEE within such thirty (30) day period, the notice demanding reversion shall be null and void.
- (4) The parties acknowledge that, due to the proprietary interests and nature of the Invention as intellectual property, a refusal by said ASSIGNEE to re-assign the Invention back to ASSIGNOR according to the terms of this Agreement may cause irreparable harm. Therefore, the parties agree that any dispute over reversion of the Invention and patent rights shall be submitted first to mediation and if mediation is unsuccessful to resolve the dispute, then to arbitration. The parties agree to share the costs of dispute resolution equally.
- (5) If the Patent Rights revert back to ASSIGNOR as indicated above, all work product produced by ASSIGNEE regarding the Invention (such as technical design and know-how developed during research and development), any and all Intellectual Property as defined in Article I, or any other information needed by ASSIGNOR to manufacture the Invention or have the Invention manufactured by another party following reversion of the Patent Rights.

ARTICLE V – INFRINGEMENT LITIGATION

In the event of any infringement by any third party of any patent, trademark, or copyright included within the Intellectual Property Rights, ASSIGNEE shall have the right, as owner of the patent and at its expense, to enforce such rights against such infringer. All monies recovered by ASSIGNEE for past infringements, including damages or settlements, shall be recovered exclusively by ASSIGNEE except that the amount of any recovery, less ASSIGNEE'S expenses, is included as Gross Revenue defined in Article I of this Agreement.

ARTICLE VI – WARRANTIES

ASSIGNOR warrants that it has the right to grant the assignment to ASSIGNEE by this Agreement. ASSIGNOR makes no representations and extends no warranties of any kind that the manufacture, use and/or sale of Licensed Equipment will be free from infringement of any patents of third parties, but does warrant that to the best of ASSIGNOR'S knowledge, Licensed Equipment, at the date of this Agreement, does not infringe upon the patent rights of any third parties of which ASSIGNOR is aware.

ARTICLE VII - INDEMNIFICATION

ASSIGNEE shall defend, indemnify and hold harmless ASSIGNOR from and against liability for any and all claims, damages, and expenses of any nature (including attorney's fees), including, but not limited to, death, personal injury, illness, property damage, patent infringement, and/or product liability arising from or in connection with ASSIGNEE'S performance under this Agreement.

ASSIGNOR shall defend, indemnify and hold harmless ASSIGNEE from and against liability for any and all claims, damages, and expenses of any nature (including attorney's fees), including, but not limited to, death, personal injury, illness, property damage, patent infringement, and/or product liability arising from or in connection with ASSIGNOR'S performance under this Agreement.

ARTICLE XIII – TERMINATION

- (1) This Agreement may be terminated at any time by mutual agreement of the parties.
- (2) The waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any succeeding breach thereof or of the provision itself.

ARTICLE IX – FILING AND MAINTENANCE OF PATENTS

- (1) ASSIGNOR will provide ASSIGNEE with the issue dates of all patents and trademarks included in the Intellectual Property Rights and with reasonable information on how to track future maintenance and renewal fees. However, ASSIGNEE shall own all Intellectual Property and shall be required to calculate and make all maintenance and renewal payments without reliance on ASSIGNOR to provide such notice. All maintenance fees related to the Patent Rights shall be paid by ASSIGNEE.

- (2) If ASSIGNEE desires to file additional patent applications related to the present project, ASSIGNEE shall notify ASSIGNOR of this desire and ASSIGNOR will cooperate with ASSIGNEE as needed and as ASSIGNOR may be capable. All maintenance fees, prosecution fees, and issue fees, and costs of additional patent protection on inventions included in the Patent Rights, inclusive of foreign patents, additions, modifications, or improvements shall be paid by ASSIGNEE. All future patent rights will be included in the Patent Rights defined in Art. I(1) of this Agreement.
- (3) Any dispute between the parties regarding whether additional patent applications, as referred to by Article IX, paragraph (2) should be filed or whether said additional patent applications are "related" to the project are subject to Article X, paragraph (6) for resolution. It is expressly understood that while a party to this Agreement, ASSIGNOR will not unilaterally or intentionally file additional patent applications that would be competitive to the Patent Rights of this Agreement.

ARTICLE X – GENERAL

- (1) In the event any of the terms of this Agreement, in the opinion of either party, become inappropriate or oppressive, the parties agree to negotiate in good faith with respect to an appropriate amendment of this Agreement.
- (2) This Agreement shall be governed by the laws of the State of Kansas.
- (3) All notices hereunder shall be in writing and shall be mailed first class mail, postage prepaid, addressed as follows:

If to AGENT:	If to ASSIGNOR:	If to ASSIGNEE:
Harshaw Research, Inc. 210 W. Tecumseh St. Ottawa, KS 66067	Bob Harshaw 717 Main Street Ottawa, KS 66067	Pivot International 10932 Strang Line Road Lenexa, Kansas, 66215

- (4) Buyout. ASSIGNEE shall have the right to assign, sell, or convey this Agreement including the Invention and Patent Rights to any third party or successor entity (referred to hereinafter as a "Buyout"), subject to approval by ASSIGNOR, such approval not to be unreasonably withheld.. A material term of said Buyout shall be that ASSIGNEE will assign this Agreement and the Patent Rights to the Successor (referred to hereinafter as NEW ASSIGNEE) and that the terms of this Agreement, except as modified by this paragraph, shall be continued by the NEW ASSIGNEE so long as the business of ASSIGNEE is continued or until expiration of the Patent Rights, whichever occurs first. Upon said Buyout, ASSIGNEE shall pay to ASSIGNOR (1) one percent (1%) of the revenue received by ASSIGNEE from the Buyout or one percent (1%) of the immediate prior three (3) years cumulative gross revenue, whichever is greater, and (2) NEW ASSIGNEE shall continue to pay Additional Payments of 2% of Gross Revenue to ASSIGNOR until the last patent of the Patent Rights has expired.

- (5) This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter hereof, integrates all prior understandings and agreements with respect thereto, and may not be modified in any manner except by written agreement of the parties.
- (6) If any dispute arises under this Agreement, the parties shall negotiate in good faith to settle such dispute. If the parties cannot resolve such dispute themselves, then either party may call for submittal of the dispute to mediation and if mediation is unsuccessful to resolve the dispute, then to arbitration. All formal dispute resolution shall take place in Kansas.
- (7) In case of any mistake in this Agreement, including any error, ambiguity, illegality, contradiction, or omission, this Agreement shall be interpreted as if such mistake were rectified in a manner which implements the intent of the parties as nearly as possible and affects substantial fairness, considering all pertinent circumstances.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date written above.

ASSIGNOR:

BOB HARSHAW

By: 

Title: Owner

Dated: 8/27/14

ASSIGNEE:

PIVOT INTERNATIONAL, INC.

By: 

Title: President & CEO

Dated: 8/26/14

AGENT:

HARSHAW RESEARCH, INC.

By: 

Dale J. Ream

Title: President

Dated: 8-27-14