

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
 Stylesheet Version v1.2

EPAS ID: PAT3830279

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	LICENSE
CONVEYING PARTY DATA	
Name	Execution Date
MARIO MAGNANI	04/08/2016
RECEIVING PARTY DATA	
Name:	HYDE TOOLS, INC.
Street Address:	54 EASTFORD ROAD
City:	SOUTHBRIDGE
State/Country:	MASSACHUSETTS
Postal Code:	01550
PROPERTY NUMBERS Total: 3	
Property Type	Number
Application Number:	62046983
Application Number:	14826494
PCT Number:	US2015045465
CORRESPONDENCE DATA	
Fax Number:	(978)582-5550
<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:	978-582-5550
Email:	loufranco@comcast.net
Correspondent Name:	LAW OFFICE OF LOUIS J. FRANCO
Address Line 1:	250 ARBOR STREET
Address Line 4:	LUNENBURG, MASSACHUSETTS 01462
ATTORNEY DOCKET NUMBER:	2013-1005
NAME OF SUBMITTER:	LOUIS J. FRANCO
SIGNATURE:	/Louis J. Franco/
DATE SIGNED:	04/14/2016
Total Attachments: 7	
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LICENSE AND ROYALTY AGREEMENT

THIS Royalty Agreement (this "Agreement") is made as of the 8th day of April, 2016, by and between Mario Magnani, an individual with a business address at 74 Pine Hill Road, Springfield, MA (alternatively referred to as "Inventor" or "Inventor Mario Magnani," notwithstanding the fact that there are two other joint inventors as identified below), and Hyde Tools, Inc, a Massachusetts corporation having a principal place of business located at 54 Eastford Road, Southbridge, MA ("Hyde").

RECITALS

- A. WHEREAS, Inventor conceived of an invention, namely the "Dual Head Carbide Scraper" (the "Invention"); and
- B. WHEREAS, Inventor brought the Invention exclusively to Hyde, and Hyde and Inventor jointly further developed the Invention as set forth on Exhibit A hereto and reduced the Invention to practice; and
- C. WHEREAS, Inventor acknowledges that Richard M. Farland and Corey Talbot, employees of Hyde with an obligation to assign their rights as directed by Hyde in all inventions to which they contribute, are joint and co-inventors of the Invention;
- D. WHEREAS, Hyde wishes to exclusively commercialize the Invention by making and selling hand tools embodying such Invention (the "Tool"), and Inventor wishes to grant to Hyde exclusive commercial rights to make and sell Tools in exchange for the payment to Inventor of percentage royalties, as defined and set forth in the agreement below, for Hyde's sales of such Tools;
- E. WHEREAS, joint inventors Richard M. Farland and Corey Talbot executed, at the direction and with the authorization of Hyde, an Assignment of their rights in the invention, and any and all patents resulting therefrom, to joint inventor Mario Magnani on December 14, 2016, and such Assignment was recorded at Reel/Frame 037383/0498 on December 30, 2016 against already-pending US Non-Provisional Application No. 14/826,494 and then-expired US Provisional Application No. 62/046,983, and at Reel/Frame 037386/0946 against already-pending PCT Application No. US2015/045465; and
- F. WHEREAS, the Assignment referenced in clause "E" above was executed by all three joint inventors, and authorized by Hyde, in consideration of the promise by Mario Magnani of an exclusive license back to Hyde on terms to be agreed upon and stated in said exclusive license.

NOW, THEREFORE, for good and valuable consideration, including the mutual covenants and conditions set forth herein below, the parties agree as follows:

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1. EFFECTIVE DATE.

This Agreement is effective as of the date first set forth above ("Effective Date").

2. DEFINITIONS. As used in this Agreement, the following terms have the meanings indicated:

- 2.1. PERMITTED CHANNELS. "Permitted Channels" mean any and all channels of distribution worldwide in any and all fields of exploitation.
- 2.2. PATENT. A "Patent" means any patent, together with any improvements, continuations, continuations-in-part, and divisional issued on any patent application filed by Inventor and Hyde, or by one or the other with the other's written permission, with respect to any portion of any hand tool comprising the Inventions.
- 2.3. SALE. "Sell, Sale or Sold" means the transfer or disposition of a Tool for value to a party other than Hyde.
- 2.4. TERM. The "Term" of this Agreement shall the greater of (i) three (3) years from the arrival of the first shipment of Tools at Hyde's warehouse, and (ii) the life of the last Patent issued.
- 2.5. MINIMUM SALES AMOUNT. The "Minimum Sales Amount" means 20,000 units annually for the Dual Head Carbide Scraper by the end of the 3rd year.

3. REPRESENTATIONS AND WARRANTIES.

- 3.1 Inventor Mario Magnani represents and warrants that (i) other than Hyde, he is the owner of the entire right, title and interest in and to the Inventions, (ii) he has the right and authority to enter into this Agreement, (iii) he has not knowingly granted licenses or any rights, authorities, or permissions under the Inventions to any other entity that would restrict any rights granted to Hyde under this Agreement, except as may be stated herein; and (iv) to his knowledge, the manufacture, use, and/or sale of tools embodying the Inventions as originally presented to Hyde in accordance with this Agreement will not infringe the patent rights of any third party.
- 3.2 Hyde represents that it has the right and authority to enter into this Agreement, and that inventors Richard M. Farland and Corey Talbot entered into and executed on December 14, 2016 the Assignment to Mario Magnani referenced above at Hyde's direction and with Hyde's authorization.

4. GRANT, EXCLUSIVITY, AND RELATED COVENANTS.

- 4.1 Inventor Mario Magnani hereby grants to Hyde, for the Term of this agreement, the exclusive right, including a right to sublicense, to manufacture, have manufactured,

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and sell Tools in and through any and all Permitted Channels, for the Term of this Agreement.

- 4.2 Hyde shall be responsible for all final Tool development, design, and engineering, and for all tooling costs.
- 4.3 Hyde agrees that in the event a Patent issues on the Invention, Hyde shall transfer and assign its ownership interest in such Patent to Inventor Mario Magnani by way of Confirmatory Assignment if deemed necessary or desirable by Inventor Mario Magnani.
- 4.4 In the event Hyde does not meet the Minimum Sales Amount for any Tool in any 12-month period beginning three (3) years after Hyde's first receipt of such Tool manufactured and commercially ready for sale in its warehouse, Inventor Mario Magnani at his option and his commercial discretion may make this Agreement and Hyde's rights hereunder non-exclusive. In such event, Hyde shall be permitted to continue to sell such Tool under this Agreement, subject to all royalty provisions, on a non-exclusive basis for the length of the Term of this Agreement.
- 4.5 In light of the joint inventorship involving Hyde employees, and the exclusivity of the license initially granted hereunder, the Parties expressly agree that Hyde has a sufficient propriety interest in the inventive subject matter to be named and listed as an "Applicant" in any and all US and International Patent Applications, including already-filed US Non-Provisional Application No. 14/826,494 and PCT Application No. US 2015/045465, and any and all US and foreign patent applications related to the same subject matter that may be filed henceforth.

5. PAYMENTS AND REPORTS.

- 5.1 In consideration of the rights granted by Inventor Mario Magnani to Hyde under this Agreement, Hyde shall pay to Inventor a quarterly royalty ("Royalty") in the amount of five percent (5%) of invoiced Sales of Tools by Hyde and/or Hyde's sublicensees in the Permitted Channels. In the event that Inventor Mario Magnani at any time during the Term becomes deceased, then Hyde shall continue to pay Royalties hereunder to the estate of Inventor Mario Magnani in accordance with the order or orders of the probate court having jurisdiction over Inventor's estate, or in the absence of such an order or orders, in accordance with the instructions of the Inventor's estate.
- 5.2 In the event a final rejection issues on a patent application filed in the United States Patent Office ("USPTO") in respect of the Invention, and as of such date no further patent applications in respect of the Invention are pending in the USPTO, the Agreement shall terminate and Hyde's obligation to pay further Royalties to Inventor under this Agreement shall cease except with respect to any Royalties accruing prior

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to the date of the final rejection. Following such a termination under this paragraph, Hyde shall be entitled to continue to make and sell Tools in its discretion.

- 5.3. During the Term of this Agreement, Hyde agrees to keep complete and accurate records of its activities conducted pursuant to this Agreement in sufficient detail to enable the Royalties payable hereunder to be determined. Hyde agrees to permit Inventor Mario Magnani, or his representatives, at Inventor's expense, and on no less than 14 days prior written notice to Hyde, to examine Hyde's books, ledgers, and records during regular business hours once during each 12-month period during the Term for the purpose of, and to the extent necessary to verify any report required under this Agreement (an "Audit"). If any Royalties due to Inventor Mario Magnani are determined in an Audit to have been underpaid, Hyde shall make up the shortfall in its next Royalty payment. In the event any such shortfall shall exceed ten percent (10%) of the Royalty amount actually determined to be due by such audit, Hyde shall reimburse Inventor Mario Magnani for the reasonable cost of such audit.
- 5.4 Within 45 days after the close of each calendar quarter during the Term, Hyde shall deliver to Inventor Mario Magnani a true and accurate written report (in a form to be agreed between the parties) giving the particulars of the business conducted by Hyde (and any sublicensees) during the preceding quarter as are pertinent to calculating Royalty payments thereunder (whether or not any Licensed Products have been sold during such quarter), together with the applicable due Royalty amount. This report shall include such information as the Inventor may reasonably request from time to time as well as the number of Licensed Products that Hyde and its sublicensees has sold, and a calculation of Royalties payable thereon. Hyde shall break out the sales information supplied on each report, to the extent practicable, by applicable region: United States, Canada, and International (Other).

6. TERMINATION.

- 6.1 This Agreement will terminate prior to expiration:
- a. Unless otherwise agreed between the Parties, 30 days after Hyde's receipt of written notice from Inventor Mario Magnani, if Hyde breaches or defaults on its obligation to pay Royalties in accordance with the terms of Article 5 hereunder, unless, before the end of this 30-day period, Hyde has cured the default or breach by paying the Royalty shortfall;
 - b. Unless otherwise agreed between the Parties, 30 days after receipt of written notice from a non-breaching party if either party breaches or defaults on any other obligation under this Agreement, unless, before the end of the 30-day period, the party in breach or default has commenced in good faith to cure the default or breach and so notifies the non-breaching party, stating the manner of such cure to the reasonable satisfaction of the non-breaching party; or
 - c. At Hyde's option in accordance with paragraph 7.3, herein below.

6.2 If this Agreement is terminated for any cause:

- a. Neither party shall be released from any obligation created by this Agreement that has vested prior to the effective date of the termination; and
- b. The parties (as relevant) shall be bound by the provisions of Articles 8 (Indemnification) and 9 (Confidential Information) of this Agreement.

7. INFRINGEMENT OF PATENT RIGHTS BY THIRD PARTIES.

- 7.1 In the event either party hereto shall become aware of any real or perceived infringement or misappropriation of the Patent Rights or the Trademarks, or any part thereof, the party shall give notice thereof to the other party hereto.
- 7.2 In any infringement suit or dispute, the parties agree to cooperate fully with each other. At the request and expense of the party bringing suit, the other party will permit access to all relevant personnel, records, papers, information, samples, specimens, etc., during regular business hours.
- 7.3 Inventor Mario Magnani and Hyde may choose to jointly defend and/or enforce the Patents and/or Trademarks against potential infringers or charges of infringement, and in the event the parties so choose they shall share, in amounts to be determined by the parties in good faith, in the costs and proceeds of such defense and/or enforcement. Absent an agreement to proceed jointly, Inventor Mario Magnani shall have the first option to defend and/or enforce the Patents and/or Trademarks against potential infringers or charges of infringement, and in the event Inventor Mario Magnani chooses to do so it shall do so at its own expense and shall be entitled to retain any and all damage or settlement awards obtained there from. In the event Inventor Mario Magnani chooses not to enforce or defend any Patent or Trademark in any instance, Hyde may, at its option, notify Inventor Mario Magnani in writing of its intention to defend and/or enforce the Patent and/or Trademark, as the case may be, and thereafter shall be entitled to deduct all expenses reasonably incurred in such defense or enforcement, including attorneys' fees, from Royalties otherwise payable to Inventor Mario Magnani under this Agreement until such expenses are reimbursed, or at its option may terminate the Agreement as of the end of the then-current Quarter, subject to payment of all outstanding due Royalties, upon written notice of such termination provided to Inventor Mario Magnani. In the event Hyde determines to defend and/or enforce any Patent or Trademark under this paragraph, Hyde and Inventor Magnani shall each be entitled to equal 50% shares of any and all damage or settlement awards received there from, after deducting attorneys' fees and litigation costs.

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8. INDEMNIFICATION.

- 8.1 Hyde agrees to hold harmless and indemnify Inventor Mario Magnani, his officers, employees and agents from and against any claims, demands, or causes of action whatsoever caused by, or arising out of, or resulting from, Hyde's manufacture and sale of Licensed Products (other than the practice of any manufacturing methods, techniques, steps, or processes mandated or necessitated by the Inventions (or any single Invention) as received by Hyde from Inventor), and/or Hyde's material breach of any representation, warranty, or covenant made by Hyde in the Agreement.
- 8.2 Inventor Mario Magnani agrees to hold harmless and indemnify Hyde, its officers, employees, and agents from and against any claims, demands, or causes of action whatsoever caused by, or arising out of, or resulting from, Hyde's use of the Inventions as received by Hyde from Inventor, and/or Inventor's material breach of any representation, warranty, or covenant made by Inventor in the Agreement.

9. CONFIDENTIAL INFORMATION AND PUBLICATION.

- 9.1 Hyde and Inventor Mario Magnani shall each keep confidential and will refrain from disclosing further any and all non-public information disclosed by one to the other, except where such information is generally known to the public, or became known to the non-disclosing party prior to its receipt of same from the disclosing party, or becomes known to the non-disclosing party through disclosure by any third party authorized to make such disclosure.
- 9.2 Inventor Mario Magnani and Hyde each agree that all information otherwise contained in documents marked "confidential" and forwarded to one by the other (i) are to be received in strict confidence, (ii) are to be used only for the purposes of this Agreement and (iii) shall not be disclosed by the recipient party, its agents or employees without the prior written consent of the other party, except to the extent that the recipient party can establish competent written proof that such information:
- a. was in the public domain at the time of disclosure;
 - b. later became part of the public domain through no act or omission of the recipient party, its employees, agents, successors or assigns;
 - c. was lawfully disclosed to the recipient party by a third party having the right to disclose it;
 - d. was already known by the recipient party at the time of disclosure;
 - e. was independently developed by the recipient; or
 - f. is required by law or regulation to be disclosed.
- 9.3 Each party's obligation of confidence hereunder shall be fulfilled by using at least the same degree of care with the other party's confidential information as it uses to protect its own confidential information.

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10. GENERAL.

10.1 Other than the Assignment previously identified in this Agreement, the present Agreement constitutes the entire and only agreement between the parties pertaining to the subject matter hereof, and all other prior negotiations, representations, agreements, and understandings are superseded hereby. No agreement altering or supplementing the terms may be made except by a written documentation signed by both parties.

10.2 Any notice or report required by this Agreement must be given by prepaid, first class, certified mail, return receipt requested, addressed in the case of Inventor to:

If to the Inventor: Mario Magnani
74 Pine Hill Road
Springfield, MA 01118

If to Hyde: ATTN: Corey Talbot
Hyde Tools, Inc.
54 Eastford Road
Southbridge, MA 01550

Or other addresses as may be given from time to time under the terms of this notice provision.

10.3 Each party shall comply with all applicable federal, state and local laws and regulations in connection with its activities pursuant to this Agreement. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts, and with respect to any action arising under, or to enforce this Agreement, each of the parties agrees to accept the jurisdiction and venue of any state or federal court located in either Springfield, Worcester or Boston, Massachusetts, and waives any objections related to such jurisdiction and/or venue. Hyde agrees to reimburse Inventor for all reasonable costs and expenses associated with any proceedings requiring Inventor's attendance in any action arising under, and/or to enforce this Agreement, which is conducted in the state of Massachusetts in accordance with this paragraph.

IN WITNESS WHEREOF, parties hereto have caused their duly authorized representatives to execute this Agreement.

INVENTOR:

HYDE:

MARIO MAGNANI



HYDE TOOLS, INC.

By: 

Name: Corey Talbot

Title: VP Marketing & Product Dev

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RECORDED: 04/14/2016

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