

10/10/65

LICENSE AGREEMENT

THIS LICENSE AGREEMENT entered into this 1st day of December, 1965, by and between the UNIVERSITY OF ILLINOIS FOUNDATION, a non-profit corporation organized and existing under and by virtue of the laws of the State of Illinois, hereinafter referred to as "LICENSOR," and JFD ELECTRONICS CORPORATION, a corporation organized and existing under and by virtue of the laws of the State of New York, hereinafter referred to as "LICENSEE."

WITNESSETH:

WHEREAS, LICENSOR is the owner of the entire right, title and interest in and to Letters Patent of the United States as follows:

<u>Inventor(s)</u>	<u>Patent No.</u>	<u>Issued</u>	<u>Title</u>
Dyson	2,958,081	10-25-60	Unidirectional Broad-band Antenna Comprising Modified Balanced Equi-angular Spiral
DuHamel	2,985,879	5-23-61	Frequency Independent Antennas
Isbell	3,011,168	11-28-61	Frequency Independent Unidirectional Antennas
Mayes & Carrel	3,108,280	10-22-63	Log Periodic Backward Wave Antenna Array

<u>Inventor(s)</u>	<u>Patent No.</u>	<u>Issued</u>	<u>Title</u>
Carrel & Mayes	3,150,376	9-22-64	Multi-Band Log Periodic Antenna
Mayes & Carrel	Re 25,740	3-9-65	Log Periodic Backward Wave Antenna Array
Dyson & Mayes	3,188,643	6-8-65	Circularly Polarized Omnidirectional Cone Mounted Spiral Antenna
Isbell	3,210,767	10-5-65	Frequency Independent Unidirectional Antennas

as well as applications for United States Letters Patent as follows:

<u>Inventor(s)</u>	<u>Serial No.</u>	<u>Filed</u>	<u>Title</u>
--------------------	-------------------	--------------	--------------

PENDING PATENT APPLICATIONS

as well as the inventions set forth and described in and by each of the aforesaid Letters Patent of the United States and applications for Letters Patent of the United States; and

WHEREAS, LICENSOR also is the owner of the entire right title and interest in and to Letters Patent of countries other than the United States as follows:

<u>Country</u>	<u>Inventor</u>	<u>Patent No.</u>	<u>Issued</u>	<u>Title</u>
Canada	Mayes & Carrel	715,685	8-10-65	Frequency Independent Unidirectional Antenna (corresponding to re-issue U.S. 25,740)

; and

WHEREAS, LICENSOR also is the owner of the entire right title and interest in and to applications for patent in countries other than the United States as follows:

<u>Country</u>	<u>Inventor</u>	<u>Serial No.</u>	<u>Filing Date</u>	<u>Corresponding U.S. Pat. or Application or Title</u>
----------------	-----------------	-------------------	--------------------	--

PENDING FOREIGN PATENT APPLICATIONS

; and

WHEREAS, LICENSOR may from time to time after the date on which this agreement comes into force and during the term thereof, acquire additional patents and applications for U.S. Letters Patent and additional applications for patent in countries other than the United States; and

WHEREAS, LICENSOR holds the sole right to grant the LICENSE herein granted and agreed to be granted; and

WHEREAS, the parties hereto did on May 24, 1962 enter into a license agreement related to the said patents and applications for patent and the then applications for patent which have now issued and the said parties, now that patents have issued and experience has been obtained under the prior license agreement, now desire to enter into a more extended license agreement which will insure a reasonable income to LICENSOR for a period of years and make it possible for LICENSEE to undertake a reasonable investment in anticipation of sales over a reasonable number of years; and

WHEREAS, LICENSEE desires to secure and LICENSOR desires to grant, for the term of years hereinafter set forth an exclusive license to manufacture, use or sell, or to have made for its use or sale, apparatus of the type described in and by each of the afore-said Letters Patent of the United States and application for Letters Patent of the United States and by each of the applications and patents in each country other than the United States.

NOW, THEREFORE, in consideration of the foregoing and the mutual terms and conditions of this LICENSE AGREEMENT and other good and valuable consideration, the receipt and sufficiency of all of which is hereby duly acknowledge, the parties hereto agree as follows:

1.. This AGREEMENT is a substitute for and replaces and terminates all prior agreements between the parties including specifically the prior LICENSE AGREEMENT of May 24, 1962 and any extensions and modifications thereof.

2. LICENSOR hereby grants and agrees to grant to LICENSEE an exclusive non-transferable right and license only in the field of receiving antennas for television and FM broadcasting stations

and antennas for amateur and citizens band transmission and reception in the United States and in all countries other than the United States to make, use or sell or have made for its use or sale any invention described in any of the aforementioned Letters Patent as well as the aforesaid applications for Letters Patent and any invention, acquired by LICENSOR, prior to or during the term or extended term of this agreement which invention shall be subsidiary, auxiliary, useful or necessary to practice or use the inventions herein licensed or which shall be an improvement thereof and any continuation, division, utility model, design or continuation-in-part application relating to said licensed patents or applications and to any reissues of any licensed patents. The components so manufactured, used or sold are herein referred to as "LICENSED ARTICLES".

a. LICENSEE is also granted an option to acquire a non-exclusive license under the licensed patents and inventions for all fields other than the field of the exclusive license granted herein at the same royalty rates but subject to equal treatment with the most favored LICENSEE.

3. LICENSEE shall make the following payments to LICENSOR:

a. With respect to "LICENSED ARTICLES" covered by the claims of any issued patent in the country where made or sold, **ROYALTY**

b. With respect to "LICENSED ARTICLES" covered by the claims of a pending application in the country where made or sold, but not covered by the claims of any issued

patent (provided that said claims reasonably stem from the disclosure of the pending application and provided that LICENSOR'S attorney shall state to LICENSEE his opinion that the claims should reasonably be allowed), *ROYALTY*

c. No more than a single royalty shall be paid with respect to any "LICENSED ARTICLE" regardless of the number of patents of the LICENSOR in the United States and countries other than the United States which may be applicable thereto.

d. The percentage royalty rate shall be computed upon the net selling price by LICENSEE of such LICENSED ARTICLES made, and or sold by LICENSEE or made by others for its use or sale, the selling price shall be the invoicing price less discounts, allowance, and returns. Such royalty, however, shall be payable only upon sale of the article except in those cases in which the article is consumed by or for LICENSEE without sale; in such latter cases, royalties shall be computed at LICENSEE'S usual selling price of the article.

e. LICENSED ARTICLES made during the life of a licensed patent covering the same, but not sold until the expiration of said patent, shall be subject to royalty.

f. On termination of this agreement at the end of its term or renewed terms or on termination for any other cause, LICENSEE shall make a report of LICENSED ARTICLES on hand and shall pay royalties with respect thereto.

g. Royalties as provided herein shall be due and payable quarterly on or before the sixtieth (60th) day following the first day of each of the months of January, April, July and October for the corresponding preceding quarterly period. LICENSEE shall furnish LICENSOR, with each royalty payment, a written statement setting forth the actual sales of the LICENSED ARTICLES sold by LICENSEE during the preceding quarterly period and the amount of royalty due and payable under the terms of this LICENSE AGREEMENT.

h. The royalty payments shall be made by the LICENSEE together with reports for each quarterly period.

i. LICENSEE agrees to keep accurate accounts in sufficient detail to enable the royalties payable hereunder to be determined, and LICENSEE further agrees to permit a Certified Public Accountant selected and paid by LICENSOR and acceptable to LICENSEE to inspect such records at reasonable times during regular business hours for the sole purpose of verifying the accuracy of the reports submitted and payments made under this LICENSE AGREEMENT, subject to the condition that LICENSOR shall give written notice to LICENSEE within six (6) months following the receipt by LICENSOR of each such quarterly report and royalty payment concerning which verification is desired and LICENSOR through its designated Certified Public Accountant shall proceed promptly with the inspection of said records during regular business hours adjusting his inspection times to the reasonable convenience of LICENSEE'S personnel.

4. The LICENSE herein granted is and shall be and remain exclusive to LICENSEE during the term of this AGREEMENT and any renewal thereof under the following terms and conditions:

a. There is established below a schedule of minimum annual royalties together with a method for varying the said minimum royalties.

b. In the event that, for any annual period, the payments of royalty by LICENSEE to LICENSOR on account of LICENSEE'S and sublicensees sales shall fall below the minimum scheduled annual royalties for said annual period, then LICENSOR shall have the following option exercisable by LICENSOR by notice in writing to LICENSEE not more than sixty (60) days after the receipt by LICENSOR of the report and payment by LICENSEE with respect to the fourth quarter for each annual period;

i. to maintain the exclusive nature of this License but to require that LICENSEE grant sub-licenses under this AGREEMENT to such antenna manufacturers of LICENSEE'S selection as will bring the total of licensed articles sold in the United States to seventy-five percent (75%) of the total of all antennas sold in the United States and infringing at least one non-adjudicated claim or one adjudicated valid claim of a licensed patent,

and to require that LICENSEE sub-license one competitive manufacturer in each foreign country in which LICENSOR'S licensed patents have issued and are subject to this agreement and where LICENSEE'S share of the market for "infringing" antennas is less than 30% of the market in that country.

A. In the event that LICENSOR shall elect to exercise this option, LICENSEE shall make every reasonable effort to effect such sublicense(s), and LICENSOR agrees to render such assistance as LICENSEE may require in effecting such sublicenses.

c. The schedule of minimum annual royalties as the basis for the option set forth in sub-paragraph b hereof shall be as follows:

SCHEDULE OF MINIMUM ROYALTY

d. In the event of renewal of this agreement beyond **R** as hereinafter provided, then the minimum annual royalties shall be at **R** per year as a base; if, at any time after **R**, either party desires that the said minimum

annual royalty should, in fairness, be adjusted and the other party does not on request agree to the adjustment, the parties agree that either party may submit to the American Arbitration Society, New York, for determination, the establishment of a different minimum annual royalty rate, and the decision of the arbitrators will be binding. Either party may make such a request for adjustment and require such arbitration not more often than once each year; and the decision of the arbitrators may, whenever made, be retroactive to cover the calendar year in which the initial request for adjustment was made. Among the factors which the arbitrators are expected to consider are the number of color television sets sold each year which are presently believed to particularly benefit from and require the enhanced quality of reception afforded by antennas made in accordance with the licensed invention; the, possibly growing, impact of increased use of portable color television sets which are not presently expected to use antennas made in accordance with the licensed invention and, therefore, may decrease the market for licensed antennas; the possibly growing, impact of C.A.T.V. type of reception which substitutes a community antenna for individual antennas and, therefore, may further decrease the market for licensed antennas; and other factors which at the time of arbitration are then known or believed to have an effect on the market for licensed antennas.

5. All LICENSED ARTICLES manufactured and sold by LICENSEE under the terms of this LICENSE AGREEMENT shall

carry such reasonable notice as LICENSOR shall from time to time request in writing which notice LICENSOR warrants will comply with the law.

6. LICENSEE shall have the right to grant sub-licenses hereunder; in such event, LICENSEE shall be responsible for transmission to LICENSOR of its share of the royalty payments received from its sublicensees. Any sublicensees shall terminate concurrently with the termination of this License. All of the applicable terms of this License Agreement for the protection of LICENSOR with respect to marking and times of payment, default and termination, reports and payments shall be deemed to be incorporated by reference in such sublicensees and a copy of this AGREEMENT shall be attached to such sublicensees with certain areas blocked out at the discretion of LICENSEE.

a. LICENSEE shall charge any sublicensee a royalty rate no less than that required to be paid by LICENSEE to LICENSOR.

ROYALTY

7. This AGREEMENT shall be effective as of January 1, 1966 and shall terminate DATE unless renewed.

RENEWAL OPTIONS DELETED *

a. LICENSEE shall have the option during the period * to notify LICENSOR of its desire to renew the AGREEMENT for an additional *

On sending of such notice by LICENSEE, this AGREEMENT shall thereafter be extended to terminate * and shall operate under the conditions herein set forth and specifically the minimum royalty conditions of paragraph 4.

b. LICENSEE shall, if this AGREEMENT has been extended to * have the further option to renew the same to expire * by sending a notice to LICENSOR during the period *

In such event, the LICENSE shall remain exclusive but there shall be no minimum royalty provision.

c. This LICENSE shall be deemed to be a paid-up license (and no further royalties shall be due) with respect to any licensed patents or applications for patent which have been issued or are currently pending as of * and with respect to any divisional, continuation or reissue patents of such then issued or pending applications on the occurrence of either of the following:

1. *

2. The payment by or through LICENSEE to LICENSOR of royalties totaling *

d. With respect to any patent or patents of LICENSOR which may become subject to this LICENSE other than those set forth above, royalties, under this AGREEMENT shall, after ~~the~~ be resumed by LICENSEE with respect to such patents and such products of LICENSEE as fall within the claims of such patents.

8. LICENSEE shall not use, publish or circulate any advertising matter or literature (other than the foregoing patent marking statement of paragraph 2 hereof upon its Licensed Articles and labels used therewith) containing a reference to the University of Illinois or to the University of Illinois Foundation except with the prior written authorization of LICENSOR as to such reference. It is understood that authorization previously granted shall stand. Such written authorization may be obtained from the Executive Secretary of the University of Illinois Foundation, which authorization will not be unreasonably withheld.

9. LICENSEE may cancel this AGREEMENT at any time upon ninety (90) days' notice in writing to LICENSOR. Termination of this AGREEMENT pursuant to this or any other paragraph shall not relieve LICENSEE of the obligation to pay accrued royalties.

10. After termination of this AGREEMENT, LICENSEE shall not be subject to any estoppel by reason of its having been a LICENSEE.

11. LICENSOR may cancel this AGREEMENT upon default of LICENSEE by giving ninety (90) days' notice to do so,

and unless LICENSEE cures the default complained of during such ninety (90) day period; but no such termination shall affect the obligation of LICENSEE to pay royalties or other obligations accrued before the effective date of such notice.

12. LICENSOR does not warrant the validity of any Letters Patent of the United States herein licensed and agreed to be licensed as issued upon the application for Letters Patent of the United States hereinabove identified, or any Letters Patent of the United States resulting from the filing of any divisional, reissue or continuation application thereof, nor does LICENSOR accept any liability with respect to enforcement of the said licensed Letters Patent of the United States, as herein provided, against third party infringers or any liability with respect to defending LICENSEE against infringement of any United States or foreign Letters Patent which may at any time be asserted against LICENSEE.

13. LICENSOR agrees to hold one-half (1/2) of the royalties received in a fund to be employed for protection and enforcement of the licensed patents against infringers, such accumulation to be made until such fund reaches ten thousand dollars (\$10,000.00), and thereafter for a period of five (5) years from the date hereof or until no substantial infringement exists, whichever date shall be later. At the end of the aforesaid period, LICENSOR may at its discretion disburse said fund into its own account.

14. In the event that LICENSEE shall call the attention of LICENSOR in writing to an infringing device made and sold by a competitor of LICENSEE and shall demand that an action for infringement be brought by LICENSOR with respect thereto and in the event that LICENSOR shall fail to institute such action within thirty (30) days after sending of such notice, then LICENSEE shall have the right at its own expense to institute and prosecute an action with respect to such infringement and may apply one-half (1/2) of royalties to the expense of the same, and payment shall be reduced accordingly.

From any such recovery, LICENSEE may further reimburse itself for its expenses; if any funds are then left, then from such funds in said recovery, LICENSEE shall pay LICENSOR the royalties previously withheld with respect to or on account of such action; if thereafter, any funds remain from such recovery, that shall be divided evenly between LICENSOR and LICENSEE.

This right of LICENSEE to send notice and demand for action and to bring action for infringement shall not be limited to a single action for infringement but shall extend to such actions against such parties as LICENSEE deems necessary, not in excess of ~~two~~ at any one time, provided that at no one time shall such actions involve duplication of issues against the same ultimate party in interest. In the event, however, that LICENSEE shall elect to bring an action which shall increase the number of pending actions brought by LICENSEE

~~ALL CONFIDENTIAL BUSINESS INFORMATION DELETED~~

above the said number, it may do so; but in such latter event, it may withhold only such part of the royalty as will leave the LICENSOR ~~***~~ of the entire royalty due LICENSOR in any one year, after deduction of LICENSEE'S and LICENSOR'S expenditures and commitments for expenditures for litigation; it being understood, however, that LICENSOR'S such expenditures and commitments for expenditures will not for this purpose exceed ~~***~~ of the royalties due in any one year.

15. If any licensed claim is held invalid by the final decision of a court or appropriate tribunal, LICENSEE shall not be required to pay royalties thereunder with respect to products covered by that claim unless and until the final decision of another appropriate court finds such claim patentable.

16. In the event of breach of this License Agreement by either party hereto, the party not in default may at its election terminate the same by ninety (90) days' written notice to such effect served upon the other party, the notice to briefly set forth the breach or default relied upon to effect termination. In the event the party in default makes full restitution for the breach or default relied upon within said ninety (90) day period, then this License Agreement shall continue in full force and effect.

17. It is agreed that the rights herein granted and agreed to be granted and the obligations and liabilities here imposed and incurred shall apply with equal force and

effect to any wholly owned subsidiary now or hereafter directly owned or controlled by LICENSEE and that the acts done by or on behalf of such subsidiary shall, for the purpose of this AGREEMENT, be deemed to be the acts done by the LICENSEE, as the party directly owning or controlling such subsidiary, but nothing contained herein shall be construed as granting to any subsidiary any rights or advantages which shall continue after such subsidiary has ceased to be a subsidiary, or has ceased to be directly or indirectly owned or controlled by LICENSEE as herein contemplated. In the event of a sale between LICENSEE or any subsidiary or LICENSEE and a corporation acting otherwise than at arms length, the net selling price shall be computed with respect to the first uncontrolled sale to a person who is acting at arms length.

18. It is further agreed that if LICENSEE becomes bankrupt or insolvent or enters into any composition with creditors, or invokes the provisions of any bankruptcy or insolvency statute, or any law for the relief of debtors now in force or hereafter enacted, this License Agreement and the licenses and rights here granted to LICENSEE shall forthwith terminate and cease.

19. It is further understood and agreed that this License Agreement is not assignable by LICENSEE without the written consent of LICENSOR except to a successor of the entire business of LICENSEE related to television antennas and that LICENSEE cannot release itself from the obligations hereunder by any assignment or transfer of any hereunder

licensed United States Letters Patent or any applications for Letters Patent of the United States, and that, subject to the limitations hereinbefore set forth, this License Agreement, the benefits thereof and the obligations and liabilities imposed thereby shall extend to the successors in business of each of the parties hereto.

20. In the event that this License Agreement is terminated prior to the expiration date of any Letters Patent of the United States under which a right and license is herein granted, LICENSOR agrees that LICENSEE shall have the right to sell or otherwise dispose of, within a period of one (1) year, any stock of Licensed Articles on hand as of the date of termination subject to the payment to LICENSOR of royalty as provided in paragraph 3 hereof.

21. University Patents Inc. of Illinois, Chicago, Illinois, is hereby appointed by LICENSOR as administrator of this AGREEMENT on behalf of LICENSOR. Notices and payments required hereunder shall be deemed properly given if duly sent by United States first-class mail and addressed, in the case of LICENSOR: University Patents Inc. of Illinois, 30 West Monroe Street, Chicago, Illinois; and in the case of LICENSEE: JFD Electronics Corporation, 15 Avenue at 62 Street, Brooklyn, New York 11219.

22. This AGREEMENT is considered to have been executed and delivered within the State of Illinois, and it is the intention of the parties that it shall be construed

and interpreted in the light of the laws of the State of Illinois and the patent laws of the United States of America, whichever shall be applicable under the circumstances.

23. If LICENSOR shall acquire after the date on which this agreement comes into force and during the term thereof, any patent rights which fall within the field of receiving antennas for television and FM broadcasting stations and antennas for amateur and citizens band transmission and reception in the United States or in any other country, LICENSEE shall have the opportunity to include those after-acquired inventions in this agreement. If the acquisition of said after-acquired inventions obligate LICENSOR to impose terms and conditions over and above those of this agreement or shall require LICENSOR to pay to or share royalties with, the person from whom such patent rights are acquired by LICENSOR, LICENSEE shall have an option to have such after-acquired patent rights included with the licenses granted in paragraph 2 hereof. Within sixty (60) days after such acquisition LICENSOR shall advise LICENSEE of the general nature thereof and of the additional terms and conditions, if any, involved in the acquisition of such rights, and shall forward to LICENSEE copies of any and all issued Letters Patent or patent applications involved in the acquisition. LICENSEE shall then have the right, within sixty (60) days of the notice from LICENSOR to include such patent rights in the licenses above granted by either tendering to LICENSOR a reimbursement of the expenses incurred in such acquisition or by agreeing to assume the

additional obligations of LICENSOR. If, at any time during said sixty (60) day period LICENSEE so requests LICENSOR in writing, LICENSOR will forward to LICENSEE all patent application papers and other material in its possession which relate to the patent rights in question, in which case the termination date of the period will be extended when necessary to that LICENSEE will have no less than sixty (60) days after receipt as such applications and other material to make its election. Failure of LICENSEE to elect within the applicable time period shall exclude such patent rights from the LICENSES herein granted. This paragraph 23 is not intended to require any additional obligation consideration when it pertains to any after-acquired inventions that emanate from the University of Illinois. The same sixty (60) day provision shall apply but LICENSEE shall not be required to assume any additional obligation in order to elect to include after-acquired inventions emanating from the University of Illinois.

IN WITNESS WHEREOF, each of the parties hereto has caused this document to be executed by its duly authorized officers and with full authorization of its managing Board of Governors or Board of Directors, as the case may be, and its corporate seal to be affixed hereon on the day, month and year first above written.

UNIVERSITY OF ILLINOIS FOUNDATION

Attest:

Ray E. Snyder
Secretary
Vice President

By Robert M. Mann
President, University of Illinois, Inc.

JFD ELECTRONICS CORPORATION

Attest:

Alfred Finkel
Secretary
Vice-President

By Alfred Finkel
President