



102 Launching New Products

Mark K Beesley
General Counsel
Back to Basics Products

Elizabeth A. Johnson
General Counsel
SPANX, Inc.

Justin H. McCarthy II
Senior Counsel
DENTSPLY International Inc.

Faculty Biographies

Mark K Beesley

Mark K. Beesley is general counsel and secretary of Back to Basics Products, Inc. located in Bluffdale, Utah. Back to Basics is a housewares company developing innovative products for the kitchen and home such as smoothie makers and blenders, coffee and hot drink makers, home water treatment devices, ice-cream and popcorn machines, juicers, and other food preparation equipment and tools.

Prior to joining Back to Basics, Mr. Beesley directed an emerging market investment fund in northern Europe where he oversaw investment in and development and sale of several high-growth companies. He also served as an advisor developing banking and finance laws in Bulgaria. Before moving to Europe, Mr. Beesley practiced commercial law in New York and clerked for the chief justice of the Utah Supreme Court.

Mr. Beesley is a member of the New York and Utah bars.

He is a graduate of Brigham Young University and Cornell Law School.

Elizabeth A. Johnson

Elizabeth A. Johnson serves as general counsel of Spanx, Inc., in Atlanta, Georgia. Spanx is a manufacturer and marketer of a variety of inventive and fun women's hosiery and other clothing products.

Ms. Johnson was previously with the legal department of The Coca-Cola Company. She was senior marketing and business affairs counsel, leading a department of 30 lawyers, legal assistants, and administrative staff devoted to providing legal support to the company's worldwide marketing activities, including sponsorships such as the Olympic Games. She also clerked for the Honorable Paul H. Roney of the 11th U.S. Circuit Court of Appeals.

She is on the board of Georgia's WIN List, a political action committee that supports the election of pro-choice Democratic women to state office. She chairs the women on board initiative of the Atlanta Women's Foundation, which is focused on training the foundation's donors on the responsibilities and challenges of membership on non-profit boards and government commissions and helping match organizations with potential board members. She served on the transition committee of Atlanta Mayor Shirley Franklin.

Ms. Johnson received a B.S. from Bradley University, a J.D. with honors from Emory University.

Justin H. McCarthy II

Justin McCarthy is senior counsel for Dentsply International Inc., the world's largest professional dental products company, in York, Pennsylvania. His responsibilities include providing a full range of legal services to all divisions of the company. His practice emphasizes commercializing new products and technologies, mergers and acquisitions, formation of foreign ventures, company commercial and corporate matters, labor and employment matters, as well as supervision of major litigation and dispute resolution, risk management, and employee benefit issues.

Prior to joining Dentsply, Mr. McCarthy served as the chief legal officer of The Vartan Group, a commercial development and investment group in Harrisburg, Pennsylvania, and previously, as an associate with Drinker, Biddle & Shanley, in Morristown, New Jersey.

Mr. McCarthy is a member of the Pennsylvania and New Jersey bars, and is a member of the Pennsylvania Bar Association, the ABA, and ACC, serving as project coordinator for the National Community Service Day project for ACC's Central Pennsylvania Chapter.

Mr. McCarthy received a B.A. from Franklin & Marshall College, and his J.D. from the Villanova University School of Law.



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Justin H. McCarthy II

Mark K. Beesley

Elizabeth A. Johnson

ACC's 2005 Annual Meeting: Legal Underdog to Corporate Superhero—Using Compliance for a Competitive Advantage

October 17-19, Marriott Wardman Park Hotel



Introduction and Agenda

- **Before the Idea**
- **Protecting the Idea**
- **Idea Development and Management**
- **Regulatory Approval**
- **Manufacturing**
- **Sales**
- **Launch**
- *See also, "Basic IP Issues for Taking Your Product to Market", ACC Docket, July/August 2005, p.74*

ACC's 2005 Annual Meeting: Legal Underdog to Corporate Superhero—Using Compliance for a Competitive Advantage

October 17-19, Marriott Wardman Park Hotel



Before the Idea

- **Associate Handbook**
 - Company owns employee inventions
 - Stresses confidentiality
 - Signed by all employees

- Sample Document # 1, Employee Training Handout

Before the Idea

- **Internal Submissions**
 - Employee non-compete and confidentiality
 - Invention disclosure
 - Invention rewards
 - presented to associates to encourage submission of invention disclosure forms

- Sample Document # 2, Business Asset Protection Agreement
- Sample Document # 3, Invention Disclosure Form



Before the Idea

- **External Submissions**
 - Non-disclosure agreements
 - signed with anyone who submits idea to Company
 - identifies ownership of ideas presented
- Sample Documents #4a - 4c, Non-disclosure Agreements (Company Receives Information; Mutual Exchange of Information; Company Discloses Information)

Before the Idea

- **License Agreements - Company as Licensee**
 - Sets forth compensation to commercialize idea (royalty, etc.)
 - Sometimes included w/ development agreement
- Sample Document # 5, License Agreement
- Sample Document # 6, License & Development Agreement



Protecting the Idea

● Market/Patent Analysis

- Work with business and marketing group to determine the anticipated sales of the product
 - is product a single, double, triple, home run?
- Patent analysis
 - non-infringement opinion
 - design around?
 - patentable?
 - patent protection strategy



Protecting the Idea

● Patent Strategy

- Jurisdiction questions (i.e., where to file)
- Category questions (i.e., what to file)
- Assignments



Protecting the Idea

- **Trademark Strategy**
 - Trademark clearance
 - breadth (what to search: product name, tag lines, body copy) (Gatorade® case)
 - depth (where to search)
 - jurisdiction and category questions

- Sample Document # 7, TM Search Request Form

Idea Development/Management

- **Antitrust Issues**
 - How will product affect competitive landscape?
 - Who will distribute new product/invention?
 - Proper use of terminology

- Sample Document # 8, Antitrust Guidelines for Employees



Idea Development/Management

- **Product Liability/Recall Issues**
 - Product certifications
 - Risk analysis
 - Insurance
 - DAR



Idea Development/Management

- **Advertising, Marketing and Promotion**
 - Market research
 - critical for regulatory approval
 - basis for advertising claims
 - Rights acquisition
 - endorsements, third party vendors and copyright ownership, in-house versus agency management, agency agreements and allocation of risk, rights of privacy and publicity
 - Infringement, disparagement
 - use of third party marks



Regulatory Approval

- **Based on Decision of Where and How to Sell Product (which countries)**
 - Many countries have specific requirements
 - Intended ad and marketing claims have significant impact
- **Need to Build In Sufficient Time and Cost**
- **Voluntary Standards Organizations**

Manufacturing

- **Manufacturing Agreements**
- **Private Label Agreements**
- **Import/Export Issues for Licensed Products**

- Sample Document # 9, Foreign Manufacturing Agreement
- Sample Document # 10, Private Label Agreement



Sales

- **Key Customer and Opinion Leader Meetings**
 - Focus groups
 - Sales calls or product development input?
 - NDAs
- **Licensing, Distribution and Sales Rep. Issues**

Don't let loose lips sink your company's ship!

1. When discussing company business, be careful about where you talk business (or how loudly)

- on airplanes, terminals, bars
- when you are in public with a large group of colleagues (when things can get boisterous)
- at trade shows and conferences
- on phones – pay, cell, public

2. What you discuss

Detailed information on new product releases, pricing, costs of new systems, employee issues, IT strategy or costs

Anything you consider to be an innovation

Anything you consider costly to replace or ruinous if known to others

Don't assume information is harmless. Make sure you understand what your company or clients think would be damaging if disclosed and communicate that to your employees.

3. Using computers

Don't expose your laptop screen on an airplane, especially with an aisle seat

If you must, don't use type over 12 point.

Keep your laptop in sight. Label the computer and the bag.

If you have sensitive material on your hard drive, buy a cable lock or security software that lets you monitor the location of your computer at regular intervals

Handheld devices present greater security risks because they are small

4. Paper -- Police the area

Take only the files you need

Make sure you haven't left anything

Plane, train, rental car (check the trunk!), restaurants, bars, rental offices (Laptop Lane) or conference rooms, airline clubs

Using business jargon is not necessarily safe, especially if a competitor is around

BUSINESS ASSET PROTECTION AGREEMENT

This Business Asset Protection Agreement ("Agreement") is entered into by XYZ Company, and its successors or assigns, having an address at XYZ Street, South Hampton, CE 00065 (the "Company"), and _____ (the "Employee"), whose principal place of residence is _____.

This Agreement is made for consideration which the parties agree is reasonable, in consideration of current and future employment, for the mutual promises and covenants made herein, and for other valuable consideration which the parties hereby acknowledge. This Agreement does not change the nature of Employee's "at will" employment.

1. Trade Secrets, Proprietary Information and Employee Inventions.

1.1 Proprietary Information. Employee acknowledges that during his or her employment, Employee will from time to time be provided with, will have access to, and become acquainted with Confidential and Proprietary information, marked as "confidential," or Employee knows or reasonably should know is confidential and or proprietary ("Proprietary Information"). Employee acknowledges that he or she is given access to and provided with this information for the sole purpose of fulfilling the duties of his or her employment with the Company. Employee agrees that from the effective date of this Agreement and thereafter to take all steps reasonably necessary to hold the Company's Proprietary Information in trust and confidence, and to not use Proprietary Information in any manner or for any purpose not expressly allowed by this Agreement, and to not disclose any Proprietary Information to any third party without first obtaining the Company's express written consent on a case-by-case basis. By way of illustration but not limitation "Proprietary Information" includes (a) trade secrets, inventions, ideas, processes, formulas, source and object codes, data, programs, other works of authorship, know-how, improvements, discoveries, developments, designs and techniques, and interpretation of patents, patent applications and patents pending (hereinafter collectively referred to as "Inventions"); and (b) information regarding plans for research, development, quality assurance, testing processes and data, new products, marketing and selling, business plans, budgets and unpublished financial statements, licenses, prices and costs, customer needs and usage, suppliers and customers; and (c) information regarding the skills and compensation of other employees of the Company. Notwithstanding the other provisions of this Agreement, nothing received by Employee will be considered to be Company Proprietary Information if (1) it has been published or is otherwise readily available to the public other than by a breach of this Agreement; (2) it has been rightfully received by Employee from a third party without confidential limitations; (3) it has been independently developed for Employee without access to or use of the Proprietary Information; or (4) it was known to Employee prior to its development or first receipt by the Company.

1.2 Employee Inventions. Employee acknowledges that as a result of his or her employment with the Company, he or she may be made aware of, have access to and be involved in the development of certain "Employee Inventions," which term means all inventions, creations, technology, works of authorship, formulas, code, programs, ideas, processes, trade secrets, materials, writings, designs, discoveries, modifications, and improvements, and Proprietary Information, whether or not published, patentable or reduced to practice, patented, copyrighted, registered or suitable therefore, and all intellectual property rights therein, that are made, developed, written, conceived or first reduced to practice by him/her in part or in whole, whether alone or with others, during the term of his/her employment with the Company, (i) whether or not made, conceived or developed during regular business hours, or (ii) after termination of employment if based on Proprietary Information, to the extent they relate to the Company's past, present, future or anticipated business, research, development or trade; result from or are suggested by any work performed by Employee (either alone or jointly with others) for or on behalf of the Company or its affiliates; or are developed using the Company's time,

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equipment or materials. Employee acknowledges and agrees that, without any additional compensation, all Employee Inventions are the sole and exclusive property of the Company, and hereby assigns to the Company any copyrights, patent rights, trade secrets and all other rights, titles and interests that he/she may have therein. Employee agrees that all Employee Inventions are, to the maximum extent permitted by applicable law, to be considered a work-made-for-hire. Employee agrees to promptly disclose the existence, use and manner of operation of any Employee Inventions to the Company. Employee agrees to take all actions reasonably requested by the Company, both during and after the term of employment by the Company, to assign to the Company and to establish (including, without limitation, assisting in obtaining or registering copyrights, patents, trademarks or similar property rights and executing assignments to the Company), perfect, exercise or protect the Company's rights in any Employee Inventions or title thereto. If the Company is unable, because of Employee's mental or physical incapacity, geographic distance or for any other reason, to obtain his/her approval or signature on any document necessary or useful to claim, secure, extend, protect or enforce any right in intellectual property to which the Company has a reasonable claim, then Employee hereby appoints the Company and its duly authorized officers as agent and attorney-in-fact to act for him/her and in Employee's place and stead for the purpose of accomplishing such act with the same legal force and effect as if executed by Employee.

1.2.1 Causes of Action. Employee, without additional compensation, hereby assigns and agrees to assign to Company, all benefits, privileges, causes of action and remedies relating to any Employee Inventions, whether before or hereafter accrued (including, without limitation, the exclusive rights to apply for protection of and maintain all such Employee Inventions; to sue for all past, present or future infringements or other violations of any rights associated with the Employee Inventions; and to settle and retain proceeds for any such actions).

1.2.2 Disclosure. Employee agrees to disclose promptly and fully in writing to Company, with copies to the President, and to hold in confidence for the sole right, benefit and use of the Company, any and all Employee Inventions made, conceived or developed by Employee (either alone or with others) during employment with the Company, or within one (1) year after termination of employment if based on Proprietary Information. In addition, Employee agrees to keep and maintain adequate and current written records on the development of all Employee Inventions made, conceived, or developed by Employee (either alone or with others) during the period of employment and during the one-year period following termination of employment, which records will be available to and remain the sole property of the Company at all times.

1.3 Third-Party Information. Employee understands that the Company has received and will in the future receive from third parties confidential or proprietary information ("Third Party Information") subject to a duty on the Company's part to maintain the confidentiality of such information and use it only for certain limited purposes. Employee agrees to hold Third Party Information in confidence and not to disclose to anyone (other than Company personnel who need to know such information in connection with their work for Company) or to use, except in connection with Employee's work for the Company, Third Party Information unless expressly authorized in writing by an officer of the Company.

1.4 No Conflict of Interest. Employee agrees during the term of this Agreement not to accept work or enter into a contract or accept an obligation, inconsistent or incompatible with Employee's obligations under this Agreement or the scope of services rendered for the Company. Employee warrants that to the best of his/her knowledge, there is no other existing contract or duty on Employee's part inconsistent with this Agreement. Employee further agrees not to disclose to the Company, or bring onto the Company's premises, or induce the Company to use any confidential or proprietary information that belongs to anyone other than the Company.

1.5 Interference with Business. Employee acknowledges that as the Company's employee and agent, he/she has received from the Company, and has further developed,

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valuable good will, or relationships of trust and confidence with Company vendors, suppliers and customers and prospective customers. Employee acknowledges that this good will is an extremely valuable asset owned exclusively by the Company. Employee also acknowledges that any misappropriation of Company good will, or any pursuit of the activities forbidden by this Section 1.5, would necessarily involve the use or disclosure of Proprietary Information in breach of Section 1.1, and that such breach would be extremely difficult to prove. To forestall such disclosure, use, and breach, and to protect the Company's good will, Employee agrees that for the term of this Agreement and for a period of Twenty-four (24) months after termination or expiration, Employee will not, for the benefit of Employee or any third party, directly or indirectly, within the territory where the Company did business during Employee's employment: (a) divert or attempt to divert from the Company (or any affiliate of it that might be formed) any business of any kind in which it is engaged, or interfere with any of its vendors, suppliers or customers, or (b) employ, solicit for employment, or recommend for employment any person employed by the Company, or (c) solicit its vendors, suppliers or customers.

1.6 **Non-Compete.** Employee agrees that during the course of her/his employment and for a period of twenty-four (24) months immediately following employment termination, Employee will not, without the Company's prior written consent, (a) serve as a partner, employee, consultant, officer, director, manager, agent, associate, investor, or otherwise (b) directly or indirectly, own, purchase, organize or take preparatory steps for the organization of, and/or (c) build, design, finance, acquire, lease, operate, manage, invest in, work, act as an agent for or consult for or otherwise affiliate with any business in competition with or otherwise similar to the Company's business. Businesses in competition with or otherwise similar to the Company's business include those that (i) design, develop, manufacture, import, export, broker, promote and/or sell products listed in the Company's wholesale catalog that is currently in use at the time of the termination, excluding products that are generic and do not make use of the Company's Proprietary Information, trade secrets or other intellectual property, or (ii) design, develop, manufacture, import and/or sell products that compete with products that are the subject of a licensing agreement between the Company and a third party in the territories for which the licensing agreement applies.

2. **Return of Company Property.** Upon termination of employment or at any time earlier as requested by the Company, Employee will immediately deliver to the Company any and all drawings, notes, memoranda, specifications, devices, formulas, and documents, together with all copies thereof, and all other material containing or disclosing any Third Party Information or Proprietary Information of the Company. Employee further agrees that any property situated on the Company's premises and owned by the Company, including computer, software, disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice.

3. General Provisions.

3.01 **No Waiver.** A waiver by either Company or Employee of a breach of any term or condition of this Agreement shall not constitute a waiver of any further breach of a term or condition of this Agreement and no such waiver shall be effective unless in writing signed by the party against whom such waiver is asserted.

3.02 **Entire Understanding.** This Agreement embodies the entire understanding, written or oral, in effect between the parties and supersedes any agreement that may currently exist between Company and Employee relating to the subject matter hereof. The execution of this Agreement has not been induced by any representations, statements, warranties or agreements, whether oral or written, other than those expressed herein. Each party has relied upon its own examination of the full Agreement and the provisions thereof, and the warranties, representations, and covenants expressly contained in the Agreement itself. This Agreement can be modified only by a written instrument executed by both parties.

3.03 **No Partnership.** Nothing contained in this Agreement shall be deemed to constitute or create a partnership or joint venture between the parties. It is not the intent of the parties to incur by contract any liability for the negligent operations, acts, or omissions of the other party.

3.04 **Governing Law.** This Agreement shall be construed in accordance with and its performance shall be governed by the laws of the State of CE, notwithstanding the choice of law rules of such State. The courts of CE shall have exclusive jurisdiction to determine all claims, disputes, actions, or suits which may arise hereunder and the parties hereby expressly consent to such exclusive jurisdiction and venue before the proper authority in South Hampton, CE.

3.05 **Unenforceability.** If any one or more provisions of this Agreement shall be found to be illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

3.06 **Miscellaneous.** The paragraph headings used herein are for the convenience of the parties and shall not be deemed to modify or construe the provisions hereof. Further, if either party defaults in the performance of its obligations under this Agreement, then the defaulting party agrees to pay reasonable costs and attorneys' fees to enforce this Agreement.

3.07 **No Assignment.** The Company may assign this Agreement, but it cannot be assigned by Employee without the Company's consent.

3.08 **Legal Fees.** If any dispute arises between the parties with respect to the matters covered by this Agreement which leads to a proceeding to resolve the dispute, the prevailing party shall be entitled to receive its reasonable attorneys' fees, expert witness fees, and out-of-pocket costs incurred, in addition to any other relief it may be awarded.

3.09 **Injunctive Relief.** Employee acknowledges that any actual or threatened breach of this Agreement, actual or threatened unauthorized use or disclosure of Proprietary Information, and any actual or threatened misappropriation of the Company's good will in violation of this Agreement, will cause irreparable and continuing harm to the Company, which harm cannot be adequately remedied by money damages or other remedy at law. Employee acknowledges that, to prevent such harm to the Company, the Company is entitled to temporary, preliminary and permanent injunctive relief, without bond, as well as such other and further equitable and legal relief as may be appropriate and is entitled to such relief without the necessity of showing or proving it has sustained any actual damage. Employee acknowledges that the terms and restrictions of this Agreement are reasonable and necessary to protect legitimate business interests of the Company, including Company Proprietary Information and good will. Employee knowingly and intentionally waives any claim that irreparable harm will not occur to the Company because of Employees actual or threatened breach of this Agreement, and Employee cannot assert such a claim in any action where the Company seeks to enforce the terms of this Agreement. Employee agrees to disgorge to the Company immediately upon the Company's demand, all money he/she receives in connection with any act that violates any term of this Agreement. The rights and remedies of the Company under this Agreement or otherwise shall be construed to be cumulative, and no one of them shall be exclusive of any other or of any right or remedy allowed by law or equity.

3.10 **Indemnification.** Employee agrees to indemnify and hold the Company and its officers, directors, shareholders and employees harmless from and against any loss, claim, damages or expenses, and/or all costs of prosecution or defense of their rights hereunder, whether in judicial proceeding, including appellate proceedings, or whether out of court, including without limiting the generality of the foregoing, attorneys fees and all costs and expenses of litigation, arising from the Employee's breach or threatened breach of any covenant contained herein.

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4. **Survival.** The provisions of this Agreement will survive termination or expiration of this Agreement except specific provisions identified in the Agreement. The obligations of this Agreement will be binding upon the Employee's heirs, executors, assigns, administrators, legal representatives and other successors in interest.

EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS READ AND UNDERSTANDS ALL THE PROVISIONS OF THIS AGREEMENT, A COPY OF WHICH HAS BEEN DELIVERED TO EMPLOYEE. BY SIGNING THIS DOCUMENT, EMPLOYEE AGREES TO BE BOUND BY ALL TERMS CONTAINED HEREIN.

Agreed:

EMPLOYEE XYZ COMPANY

Signature: _____ Signature: _____

Name: _____ Name: _____

Title: _____

Date: _____ Date: _____

XYZ Company

CONFIDENTIAL INVENTION DISCLOSURE

Invention Title: _____

Date of Disclosure: _____

Summary of Invention: Please give a brief summary of the invention (attach fuller descriptions with reference to drawings identifying each element or component of the invention as needed): _____

Points of Novelty: List and describe the specific aspects or elements of the invention that you believe make it novel in view of or provide advantages over the prior State of the Art: _____

Applications: What are the practical applications for this invention: _____

Invention Date: Date(s) of Conception: _____ Date(s) of Prototype or Sample: _____ Are there written records of these dates? _____ If yes, where? _____

Prior Art: List all prior art of which you are aware. "Prior Art" refers to publications, advertisements, products in the public market, disclosures of products at trade shows or in the media, and generally any "knowledge" of the public about inventions, competing products, or related technology that relates in any way to your invention and predates the date of your invention. _____

CONFIDENTIAL INFORMATION SUBJECT TO ATTORNEY-CLIENT PRIVILEGE

XYZ Company

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AGREEMENT

RECEIPT OF CONFIDENTIAL INFORMATION BY XYZ INC.

Sale or Disclosure: Has this invention been publicly sold or offered for sale? _____. If yes, when? _____. Have the essential elements of the invention been disclosed publicly, either orally or in writing? _____. If yes, please give date and details: _____

Do you intend to disclose the essential elements of the invention in the future, either orally or in writing? _____. If yes, please give details and probable date of future disclosure: _____

Ownership: Will this invention be assigned or licensed to a third party? _____. If yes, Name of assignee/licensee: _____
 State of Incorporation _____ Address: _____
 Telephone: _____ Facsimile: _____
 Officer: _____ Title: _____

Please list any commercial companies you feel are/should be interested in your invention: _____

Foreign Patents: Do you anticipate filing patent application(s) in foreign countries? If so, list: _____

Identification of Inventor(s): Please provide the requested information and signature of each person who made an inventive contribution to any part of the invention. Attach additional sheets if necessary.

The undersigned hereby declare(s) that they (he/she) verily believe(s) that they (he/she) are (is) the original, first, and joint (sole) inventor(s) of the invention disclosed herein.

Name: _____ Telephone: _____
 Address: _____ Facsimile: _____
 _____ Citizenship: _____
 Inventor 1 (signature)

Name: _____ Telephone: _____
 Address: _____ Facsimile: _____
 _____ Citizenship: _____
 Inventor 2 (signature)

Name: _____ Telephone: _____
 Address: _____ Facsimile: _____
 _____ Citizenship: _____
 Inventor 3 (signature)

H:\FORMS\Initial Relationship\Invention Disclosure form.doc

CONFIDENTIAL INFORMATION SUBJECT TO ATTORNEY-CLIENT PRIVILEGE

XYZ Inc., a Delaware corporation, having a place of business at 555 West Main Street, South Hampton, Delaware 12345 (hereinafter "XYZ") recognizes that _____ (hereinafter OTHER PARTY) is the owner of proprietary confidential technical information relating to _____ (hereinafter INFORMATION) which OTHER PARTY wishes to disclose to XYZ for the enumerated purposes herein and under the terms of this agreement.

Both parties hereto agree that this agreement does not grant any license, implied or otherwise, under any patent now or hereafter owned or controlled by either party or any other rights or obligations except as specifically recited herein and shall not be construed as an agreement binding XYZ to provide advice and assistance or pay for INFORMATION, nor an agreement by the OTHER PARTY to pay or reimburse XYZ for providing advice and/or assistance.

XYZ agrees to hold in confidence and not to use except for evaluation, recommendations, discussion, and other purposes requested by OTHER PARTY all INFORMATION disclosed by OTHER PARTY in writing or if disclosed orally, reduced to writing within thirty (30) days of disclosure under this Agreement, said INFORMATION marked as "Confidential", for a period of three (3) years from the date hereof except for INFORMATION which:

- (a) is already known to XYZ; or
- (b) is or becomes publicly known through no wrongful act of XYZ; or
- (c) is rightfully received by XYZ from a third party, except to the extent the third party also imposes an obligation of confidentiality; or
- (d) is independently developed by XYZ; or
- (e) is furnished to a third party by OTHER PARTY without a similar restriction on the third party's rights; or
- (f) is disclosed pursuant to the requirement of a Governmental agency or entity.

XYZ agrees to take every reasonable precaution to safeguard the confidentiality of INFORMATION, including restriction of access to INFORMATION to only relevant employees, agents, and/or associates.

Upon request from OTHER PARTY, XYZ agrees to return within thirty (30) days all documents, memoranda, correspondence, data, notebooks, reports, drawings, samples, or records and the like and all copies thereof of the INFORMATION and to destroy any documents prepared by XYZ containing INFORMATION. XYZ can, however, destroy all such materials if a request for their return is not received within six (6) months of receipt of such materials by XYZ.

 _____ XYZ Inc.
 _____ 555 West Main Street
 _____ South Hampton, Delaware 12345

By _____ By _____
 Title _____ Title _____
 Date _____ Date _____

CONFIDENTIAL DISCLOSURE AGREEMENT

XYZ Inc., a Delaware corporation, having a place of business at _____, and _____ each independently possess and will continue to acquire certain confidential and proprietary information concerning _____. Each party wishes to disclose certain of its respective said information (hereinafter INFORMATION) to the other party for the enumerated purposes and under the terms of this Agreement.

Both parties hereto agree that this Agreement does not grant any license, implied or otherwise, under any patent now or hereafter owned or controlled by the other party or any other rights or obligations except as specifically recited herein and shall not be construed as an agreement binding either party to provide advice and assistance, nor an agreement by either party to pay or reimburse the other party for providing advice, assistance and/or INFORMATION.

Both parties agree to hold in confidence and not to use except for evaluation, recommendations to and/or discussion with the other party, and other purposes specifically requested by the party (OWNER) owning INFORMATION, all INFORMATION disclosed by the OWNER in writing or if disclosed orally, reduced to writing within thirty (30) days of disclosure under this Agreement, said INFORMATION marked as "Confidential", for a period of five (5) years from the date hereof except for INFORMATION which:

- (a) is already known to recipient; or
- (b) is or becomes publicly known through no wrongful act of recipient; or
- (c) is rightfully received from a third party, except to the extent the third party also imposes an obligation of confidentiality; or
- (d) is independently developed by recipient; or
- (e) is furnished to a third party by OWNER without a similar restriction on the third party's rights; or
- (f) is disclosed pursuant to the requirement of a governmental agency or entity.

Both parties agree to take every reasonable precaution to safeguard the confidentiality of the other party's INFORMATION, including restriction of access to INFORMATION to only essential employees, agents, and/or associates; and maintaining all documents, memoranda, correspondence, data, notebooks, reports, drawings, samples, or records containing INFORMATION in a secure location.

The recipient party agrees on request to return within thirty (30) days all documents, memoranda, correspondence, data, notebooks, reports, drawings, samples, or records and the like and all copies and to destroy any documents prepared by receiving party containing INFORMATION. The recipient party can, however, destroy all such materials if a request for their return is not received within six (6) months of their receipt by recipient party.

_____	XYZ Inc.
_____	_____
_____	_____
_____	_____
By _____	By _____
Title _____	Title _____
Date _____	Date _____

AGREEMENT

DELIVERY OF CONFIDENTIAL INFORMATION BY XYZ INC.

XYZ Inc., a Delaware corporation, having a place of business at 555 West Main Street, South Hampton, Delaware 12345 (hereinafter "XYZ") possesses and will continue to acquire certain confidential and proprietary information concerning its operations. _____ (hereinafter RECIPIENT) may come into possession or learn of said information (hereinafter INFORMATION) while on the premises of, or performing work for, XYZ.

Both parties hereto agree that this agreement does not grant any license, implied or otherwise, under any patent now or hereafter owned or controlled by either party or any other rights or obligations except as specifically recited herein and shall not be construed as an agreement binding RECIPIENT to provide advice and assistance, nor an agreement by XYZ to pay or reimburse RECIPIENT for providing advice and/or assistance.

RECIPIENT agrees to hold in confidence and not to use except for evaluation, recommendations to and/or discussion with XYZ, and other purposes specifically requested by XYZ, all INFORMATION disclosed to or learned by RECIPIENT, directly or indirectly, except:

- (a) INFORMATION which at the time of disclosure is in the public domain or which, after disclosure, becomes available to the public by publication or otherwise without the unauthorized disclosure by RECIPIENT;
- (b) INFORMATION which RECIPIENT can document as having been in its possession at the time of disclosure under this Agreement; and
- (c) INFORMATION which RECIPIENT can document as having been rightfully received from a third party, except to the extent the third party also imposes an obligation of confidentiality.

RECIPIENT agrees to take every reasonable precaution to safeguard the confidentiality of INFORMATION, including restriction of access to INFORMATION to only essential employees, agents, and/or associates; and maintaining all documents, memoranda, correspondence, data, notebooks, reports, drawings, samples, or records in a secure location.

RECIPIENT agrees on XYZ'S request, to return within thirty (30) days all documents, memoranda, correspondence, data, notebooks, reports, drawings, samples, or records and the like and all copies thereof containing the INFORMATION.

_____	XYZ Inc.
_____	555 West Main Street
_____	South Hampton, Delaware 12345
By _____	By _____
Title _____	Title _____
Date _____	Date _____

LICENSE AGREEMENT

This License Agreement (“Agreement”) is entered into effective as of _____, 2005 (the “Effective Date”) by and between Rowen N. Martin, an adult individual with an address of 22 Twain Stop, Cardin, CT 02007 (referred to herein as “MARTIN”) and XYZ Inc. (referred to herein as “XYZ”), a Delaware corporation with an office at 555 West Main Street, South Hampton, DE 12345. For purposes of this Agreement a reference to XYZ shall include reference to Affiliates (as defined below) of XYZ.

RECITALS:

1. MARTIN is the owner of a United States Patent No. 5,213,585 (the “Patent”), related to the technology for a certain curing light apparatus used to cure felines.

3. XYZ is in the business of developing and marketing dental products, and desires to develop and market certain dental curing lights that use technology arising from claims contained in the Patent.

4. MARTIN and XYZ desire to establish a relationship with respect to the Patent to grant XYZ an exclusive worldwide license to manufacture, have manufactured, and sell feline curing lights that use technology protected by claims in the Patent.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants, terms, and conditions hereinafter expressed, intending to be legally bound, the parties hereto agree as follows:

1. Recitals. The recitals above are incorporated hereby and are part of this Agreement.

2. Definitions.

2.1 “Licensed Patent” shall mean U.S. Patent No. 5,213,585, which was granted to MARTIN on April 1, 2000, entitled “Apparatus for curing felines.”

2.2 “Net Sales” shall mean the sales of Licensed Devices (defined below) for monetary consideration to Veterinary Professionals by XYZ.

2.3 “Veterinary Professional” shall mean any person or entity other than MARTIN, and XYZ and its Affiliates, licensed to work in the veterinary industry, including, but not limited to, professional, educational, governmental, and business entities that administer or teach veterinary care or fabricate veterinary products.

2.4 “Affiliate” shall mean, with respect to any person, any other person which, directly or indirectly, controls or is controlled by, or is under common control with, such person. For purposes of this definition, “control” shall mean the possession, direct or indirect, of the

power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

2.5 “Licensed Devices” shall mean any device, component, or product that is covered by any claims in the Licensed Patent and any Improvements (defined below) to such device, component, or product.

2.6 “Improvements” shall mean any change, modification or new product that is an improvement or enhancement to or in connection with the methodology of an existing product.

3. Grant. Except as provided below, MARTIN hereby grants to XYZ the exclusive worldwide right and license to make, have made, further develop, research, use, sell and distribute Licensed Devices.

4. Maintenance of Patents.

4.1 Maintenance. Except as set forth below, MARTIN shall have the obligation to take all action with respect to the Patent deemed appropriate by XYZ, including but not limited to, maintaining the Patent, filing continuations, continuations-in-part, amendments, modifications and taking any other action with respect to the Patent. Upon the request of XYZ, MARTIN will cooperate in all respects in filing additional applications for letters patent related to the Patent, without additional compensation.

4.2 Patent Fees. MARTIN shall bear all fees and costs incurred in connection with the maintenance of the Patent. XYZ shall bear all fees and costs incurred in connection with any additional applications

5. Royalty.

5.1 Amount. XYZ agrees to pay MARTIN a Royalty of \$17.50 for each Net Sale of a Licensed Device.

5.2 Timing. For the purpose of this Agreement, the parties shall deem Licensed Devices sold when XYZ issues an invoice for them.

5.3 Combined Sales. In the event that any Licensed Device is sold in combination with non-Licensed Devices, for the purpose of calculation of royalties, the sale of the combination shall be considered a Net Sale of a Licensed Device if the net sales price of the combined item is equal to or greater than the suggested retail price of the Licensed Device.

6. Royalty Payments.

6.1 Quarterly Payments. Payments of Royalties from XYZ to MARTIN hereunder shall be made on a quarterly basis, not later than forty-five (45) days after the last day of each quarterly calendar period for as long as such obligations continue under this Agreement. Payments

shall be accompanied by reports which shall set forth the quantity of Licensed Devices sold, a calculation of Net Sales and a calculation of the amounts owed to MARTIN for the applicable period ("Royalty Statements").

6.2 Records. XYZ shall maintain full, true, and accurate records containing all information, which may be necessary for a determination of amounts it is required to pay to MARTIN under this Agreement. Said records shall be maintained for no less than three (3) years from the date of creation and shall be open and available for review, during XYZ's ordinary business hours, by MARTIN or an independent certified public accountant, retained and paid for by MARTIN for the purpose of verifying XYZ's compliance with its payment obligations hereunder, provided however, that MARTIN shall have eighteen (18) months after submission of any Royalty Statement and only once in any twelve (12) month period to contest or challenge the calculation of Royalties in such Statement and the payment of Royalties based thereon and thereafter each such Royalty Statement shall be deemed valid and binding, subject however to adjustment in the event of a claim of infringement.

6.3 Deduction for Taxes. XYZ shall bear all taxes imposed as a result of the existence or operation of this Agreement, including but not restricted to any registration tax, any tax imposed with respect to the granting or transfer of licenses or other rights except any tax which is imposed or based upon MARTIN's receipt of Royalty payments, income or any similar such tax. Consistent with the above provision, any tax paid or required to be withheld by XYZ or its affiliates on any Net Sales for which payments are payable to MARTIN under this Agreement shall be deducted from the Royalties prior to computation of the royalty payment, which deduction shall be reflected on the Royalty Statement. XYZ shall, following request by MARTIN, secure and send to MARTIN proof of any such taxes relating to Net Sales on Licensed Devices paid by XYZ.

6.4 Currency. All payments due MARTIN hereunder are expressed in and shall be paid in United States of America currency without deduction for currency exchange costs, expenses or adjustment. Net Sales for non-U.S. sales shall be based on the commercial rate of exchange calculated as of the date of the royalty calculation.

6.5 Error in Royalty Payment. In the event that an audit results in a determination that XYZ has paid more than required under this Agreement, such excess shall, at XYZ's option, be immediately refunded or credited against future Royalties. In the event that an audit results in a determination that XYZ has paid less than required under this Agreement, XYZ shall immediately pay the additional amount due.

6.6 Failure of Patent. If the claims of the Patent shall, after the execution of this Agreement, be subject to any limitation by a court order or agreement with a third party, then Royalties on sales of Licensed Devices under such Patent, shall thereafter be adjusted as provided in this paragraph. If the effect of such court order or agreement is such that XYZ can no longer sell Licensed Devices in a jurisdiction or that XYZ can sell Licensed Devices but not on an exclusive basis in any jurisdiction and a third party is selling and/or distributing the equivalent of a Licensed Device in the jurisdiction, then no Royalties shall be payable by XYZ under this Agreement with respect to such jurisdiction until such order or agreement is modified to permit sale of Licensed Devices by XYZ on an exclusive basis. If the effect of such court order or agreement is that XYZ is

required to pay to maintain the right to sell the Licensed Devices on either an exclusive or non-exclusive basis, then XYZ shall receive a credit against future royalties in the amount of any such payment. With respect to such agreements, which potentially impose a limitation, before XYZ enters such an agreement, XYZ shall present it to MARTIN for review. MARTIN shall determine, within fifteen (15) days of the presentation of such agreement, whether he approves of XYZ entering such agreement. If MARTIN does not approve of such agreement then MARTIN shall assume the defense of XYZ and indemnify XYZ for all costs, expenses (including reasonable attorneys fees) and liabilities arising from the subject matter of the agreement, provided that the other provisions of this paragraph shall continue to apply. In the event that any claims of the Patent shall be held legally invalid, it is hereby agreed that all Royalties on Net Sales previously paid hereunder are non-refundable.

6.7 Expiration of Patent. In the event that the Patent expires and patent protection on the Licensed Device is not extended by virtue of improvement patents, divisionals, continuations or continuations in part, reissues or reexaminations then XYZ may continue to make, have made, use or sell such devices, without the payment of any royalty.

7. **Regulatory Approvals**. In the event that regulatory approvals of the Licensed Devices is required in order to legally market the same XYZ shall be responsible for obtaining any such approvals and MARTIN shall fully cooperate, without payment of any fees.

8. Confidentiality.

8.1 Confidential Information. The term "Confidential Information" shall mean any information disclosed by one party to the other pursuant to this Agreement which is identified as confidential by the disclosing party or which the recipient knows or has a reason to know is deemed confidential or proprietary by the disclosing party.

8.2 Confidentiality. Each party shall treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except as set forth herein, and shall use reasonable efforts not to disclose such Confidential Information to any third party. Without limiting the foregoing, each of the parties shall use at least the same degree of care which it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information disclosed to it by the other party under this Agreement. Each party shall promptly notify the other party of any actual or suspected misuse or unauthorized disclosure of the other party's Confidential Information.

8.3 Exceptions. Notwithstanding the above, neither party shall have liability to the other with regard to any Confidential Information of the other which the receiving party can demonstrate:

- (i) was in the public domain at the time it was disclosed or has entered the public domain through no fault of the receiving party;
- (ii) was known to the receiving party, at the time of disclosure;

(iii) is disclosed with the prior written approval of the disclosing party;

(iv) was independently developed by the receiving party without use of the Confidential Information;

(v) became known to the receiving party, without restriction, from a source other than the disclosing party without breach of this Agreement by the receiving party and otherwise not knowingly in violation of the disclosing party's rights;

(vi) is disclosed generally to third parties by the disclosing party without restrictions similar to those contained in this Agreement; or

(vii) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving party shall provide prompt written notice thereof to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure.

8.4 Return of Confidential Information. In the event the parties terminate this Agreement, each party shall upon request return all tangible Confidential Information received from the other party.

9. Patent Marking. To the extent feasible considering the size and nature of the Licensed Devices, XYZ shall mark or cause to be marked in compliance with the patent marking statute, all Licensed Devices made, used or sold by XYZ under this Agreement with the patent numbers of all of the applicable Patent.

10. Trademark. XYZ shall be free to sell the Licensed Devices under any trademark that XYZ shall select. All rights and benefits from the use of such trademarks shall inure to the XYZ, and XYZ shall retain all rights in and to such trademarks through and beyond termination of the Agreement.

11. Patent Protection and Infringements.

11.1 Infringement Actions.

(a) If XYZ believes a third party is infringing any claim of the Patent, XYZ shall provide MARTIN with evidence of such infringement. If MARTIN does not file suit against the infringer or otherwise cause such infringer to cease said infringing activities within two (2) months of the date of receipt by MARTIN of such evidence of infringement, XYZ shall have the right to file suit in its own name and in the name of MARTIN and for its own account. If XYZ files suit against such alleged infringer, MARTIN will cooperate with XYZ at no expense to itself in such suit, but shall have the right, at its own expense, to also be represented by counsel of its choice. In the event XYZ asserts a claim in the name of MARTIN, it will hold MARTIN harmless from any claims or assessments except a claim of patent invalidity arising from such action.

(b) If MARTIN files suit against an infringer of the Patent and XYZ chooses to participate in the litigation, then (i) XYZ will continue to pay royalties as herein provided to MARTIN, (ii) each party will pay its own litigation costs, but if they are using the same counsel then each party will pay fifty percent (50%) of the counsel's fees and litigation costs, and (iii) if there is an award and recovery, the recovery will first be used to reimburse each party for its actual out-of-pocket expenses, including attorney's fees incurred in connection with such litigation on a pro rata basis. Then, if there are any sums remaining after MARTIN and XYZ have recovered all of the costs, MARTIN and XYZ shall equally divide any net amount between the two.

(c) If MARTIN files suit against an infringer of the Patent and XYZ chooses to not participate in the litigation, then (i) XYZ will continue to pay royalties as herein provided to MARTIN, (ii) MARTIN will pay all litigation costs, and (iii) any award and recovery shall belong to MARTIN.

(d) If XYZ files suit against an infringer of the Patent and MARTIN chooses not to participate in the litigation at his expense, then (i) XYZ will pay all litigation costs, provided that, sufficient Royalties may be withheld for reimbursement or payment of such costs, (ii) any award and recovery shall be applied first in payment of any uncovered litigation costs of XYZ relating to the suit, next toward reimbursement of MARTIN for any Royalties reduced or withheld and applied pursuant to this paragraph, and the balance remaining from any such recovery shall belong to XYZ.

(e) Neither party may settle with an infringer without the prior written approval of the other party if such settlement would affect the rights of such other party under this Agreement, such approval not to be unreasonably withheld.

11.2 Cooperation During Infringement Proceedings. In any infringement suit to enforce or defend rights under the Licensed Patent each party shall, at the other parties request and expense, reasonably cooperate in all respects and, have its employees testify when requested and make available relevant records, papers, information, samples, specimens, and the like.

11.3 No Obligation to Sue. It is hereby agreed that neither XYZ nor MARTIN shall have an obligation to institute suit against any third parties for patent infringement, nor shall XYZ or MARTIN have any obligation to pay for the costs of same, other than as set forth above.

12. Warranties, Representations, and Indemnifications.

12.1 MARTIN Representations. MARTIN hereby represents and warrants to XYZ as follows:

(i) MARTIN is the owner of the Patent, and holds good and marketable title to the same and all that is encompassed therein;

(ii) MARTIN has the full right, power, and authority to grant the rights set forth in this Agreement;

(iii) MARTIN does not and will not have or enter any agreements, assignments, or encumbrances, which are inconsistent with the provisions of this Agreement;

(iv) MARTIN has no knowledge of any infringement or of any pending or threatened claim relating in any manner to the Patent or the Licensed Devices;

(v) MARTIN has no knowledge of or reason to believe that any of the claims of the Patent is invalid or unenforceable or that their exercise would infringe a patent right of any third party; and

(vi) the execution, delivery and performance of this Agreement, to MARTIN's knowledge, will not violate any law, ordinance, rule regulation or any judgment, writ, injunction or order of any court, governmental, administrative or regulatory authority.

12.2 XYZ Representations. XYZ hereby represents and warrants to MARTIN as follows: (i) XYZ has all right, power and authority necessary to enter into this Agreement; (ii) XYZ has obtained all approvals and authorizations that it is required to obtain in connection with this Agreement; and (iii) XYZ has not entered, and will not enter, into any arrangements or agreements inconsistent with this Agreement.

12.3 MARTIN Indemnification. MARTIN shall indemnify, defend, and hold harmless XYZ from and against any claims, demands, losses, causes of action, expenses (including reasonable attorneys fees), damages, and liabilities arising from any breach of any of MARTIN's representations and warranties.

12.6 XYZ's Indemnity. XYZ agrees to indemnify, defend, and hold MARTIN harmless from and against any and all claims, demands, losses or causes of action related in any way to XYZ's marketing and commercialization of the Licensed Devices, except to the extent that such claims, demands, losses or causes of action result (a) from negligence, intentional actions, or misrepresentations on the part of MARTIN or (b) from patent infringement claims involving the Patent.

13. Term. This Agreement shall become effective upon execution by both parties hereto and shall remain in effect until the date of expiration of the Patent, unless terminated earlier in accordance with this Agreement as set forth below.

13.1 Bankruptcy. If either of the parties shall become bankrupt or insolvent, and/or if its business shall be placed in the hands of a receiver, assignee, or trustee, whether by the voluntary act of the party or otherwise, this license shall immediately terminate at the option of the party not in bankruptcy, receivership, or insolvency.

13.2 Breach. If one party shall at any time commit any breach of any covenant, warranty, or agreement herein contained, and shall fail to commence to remedy such breach and pursue such remedy with due diligence within thirty (30) days after written notice thereof by the

other party, such other party may at its option, and in addition to any other remedies that it may be entitled to, cancel this Agreement by notice in writing to such effect.

13.3 Claims for Royalties Survive Cancellation. In the event of termination of this Agreement as hereinbefore referred to, this Agreement shall remain in force as to any claim for Royalties for Licensed Devices sold which MARTIN may have against XYZ.

14. Assignment and Sublicense.

14.1 Assignment. XYZ shall have the right to assign this Agreement, provided the assignee agrees to assume the post-assignment obligations of XYZ under this Agreement. An assumption pursuant to the preceding sentence will relieve XYZ of all obligations attributable to events that occur on or after the effective date of the assumption. XYZ will remain obligated for obligations to MARTIN that have accrued and ripened by reason of events that have occurred prior to the assignment and assumption. MARTIN shall have the right to assign this Agreement, provided such assignee agrees to abide by all of MARTIN's obligations hereunder. This Agreement shall be binding upon and be for the benefit of the parties' legal representatives, executors, administrators, heirs and permitted assigns.

14.2 Sublicense. XYZ shall have the right to sublicense any of the rights and licenses granted herein within the License grant. Any sublicense granted by XYZ shall be subject to the terms and conditions of this Agreement and shall contain an express provision to that effect. No sublicense shall relieve XYZ of any of XYZ's obligations under this Agreement. XYZ shall assume full responsibility for the payment of all Royalties due herein on the Licensed Devices made, used or sold by any such sublicensees.

15. Severability of Terms. If any part of this Agreement is ever ruled invalid, illegal, or unenforceable by a court or other body of competent jurisdiction, the remainder of this Agreement shall continue in full force and effect and shall be deemed modified to the minimum extent necessary to make it enforceable, unless such modification substantially adversely alters the rights and/or obligations of one of the parties, who shall have the option to terminate the Agreement in such event. The effect of any such ruling in question shall be strictly limited to the jurisdiction of the body making the ruling. If the ruling is subsequently overruled or obviated by legislative or other action, the severed provision(s) of this Agreement shall return to full force and effectiveness.

16. Governing Law and Enforcement. This Agreement shall be interpreted and construed, and the legal relations created herein shall be determined, in accordance with the laws of the State of Delaware. If either party brings an action for enforcement or interpretation of this Agreement or for damages for violation of any of the provisions hereof, the unsuccessful party in such litigation shall pay to the successful party all costs as ordered by the court and in addition all fees and expenses of the successful party's attorneys in a reasonable amount, which amount shall be fixed by the court in such proceedings and taxed as a cost therein. The federal and state courts located in and for the State of Delaware shall have exclusive jurisdiction over any action concerning the enforcement or interpretation of this Agreement or for damages for violation of any of the provisions hereof.

17. Notices. All notices required under the terms of this Agreement shall be in writing and shall be deemed to be fully given if a party sends it by confirmed telefax, recognized overnight delivery service, or registered mail, with proper postage prepaid, to the other party at its address hereinabove set forth. The date of mailing shall be deemed to be the date the party gave such notice. Either party may change its address for the purposes of this Agreement by giving the other party written notice of its new address.

18. Non-Frustration. Neither party to this Agreement shall commit any act or take any action that frustrates or hampers the rights or performance of the other party under this Agreement. Each party shall act in good faith and engage in fair dealing when taking any action under or related to this Agreement.

19. Entire Agreement. This Agreement expresses the totality of the terms of the agreement between MARTIN and XYZ with respect to the subject matter hereof and supercedes and replaces the Prior Agreement between the parties. Any oral representation shall have no force or effect whatever. This Agreement is not a part of any other agreement, does not depend for its consideration or its enforceability upon any other agreement and shall not be construed with or as a part of any other agreement past or present, except as specifically referenced herein. MARTIN and XYZ each represent and warrant that no promises, representations or inducements have been made by the other party with respect to the subject matter of this Agreement, except as specifically set forth herein. This Agreement may not be changed, altered, modified, amended or revoked except by an agreement in writing signed by XYZ and MARTIN.

20. Waivers. A party shall not be deemed to have waived any right under this Agreement unless the waiver is in writing signed by the party not seeking the waiver. Each waiver, if any, shall be a waiver only with respect to the specific instance involved. No waiver shall impair the rights of the waiving party or the obligations of the other party in any other respect at any other time.

21. Non Agency. Nothing in this Agreement shall be construed to make either party the legal representative or agent of the other party. Neither party shall have the right or authority to assume, create, or incur any liability or any obligation of any kind, either expressed or implied, in the name or on behalf of the other party.

22. Force Majeure. It shall not be considered a breach of this Agreement if a default, delay, or failure to perform on the part of either party (other than failures to pay amounts due under this Agreement) is shown to be due to cause beyond the reasonable control of the party charged with a default; provided, that for the duration of such force majeure the party charged with such default must continue to use all reasonable efforts to overcome such force majeure.

23. Captions. Headings in this Agreement are for reference purposes only and shall not be deemed part of this Agreement.

24. Counterparts. This Agreement may be executed in several counterparts, including telefaxed counterparts, each of which shall be deemed the original, but all of which constitute one and the same instrument

IN WITNESS WHEREOF the parties after due consultation with their advisors as deemed appropriate have caused this Agreement to be executed effective the date first written above.

XYZ Inc.

Rowen N. Martin

By: _____
Name:
Title:

DEVELOPMENT AND LICENSE AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 2005 (the "Effective Date"), by and between the XYZ Inc., having a place of business at 555 West Main Street, South Hampton, DE 12345 (hereinafter referred to as "XYZ") and Curing Cats Inc., having a place of business at _____ (hereinafter referred to as "CCI").

WHEREAS, CCI has developed and patented and continues to develop and patent a certain Light Emitting Diode ("LED") feline curing light which is further described in Exhibit A attached hereto and incorporated herein by reference;

WHEREAS, CCI is the owner of United States Patent No. 5,213,585 (the "Patent") relating to an LED feline curing light;

WHEREAS, XYZ is engaged in the marketing and sale of products to the dental industry;

WHEREAS, XYZ and CCI desire to work together for their mutual financial benefit from further product development, marketing, and sale of the Products (as defined below); and

WHEREAS, XYZ and CCI desire to enter into a license agreement whereby XYZ will have an exclusive, worldwide license to market, sell, make, have made, and distribute the Products and all products covered by any claims contained in the Patent.

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants hereinafter set forth, intending to be legally bound, the parties hereto agree as follows (the "Agreement"):

1. Definitions.

1.1 Additional Patents. Additional Patents shall mean all patents, United States and foreign, other than the Patent, which are issued to either CCI or XYZ, or both, its successors and assigns, which arise from the development of the Products, and the engineering provided in relation to the development of the Products.

1.2 Affiliate. Affiliate shall mean any person or entity that is directly or indirectly controlled by, in mutual control with, or in control of, either of the parties to this Agreement.

1.3 Ancillary Products. Ancillary Products shall mean products, other than the Products, which are covered by claims in the Patents upon issuance, and until such issuance, in the applications for the Patents.

1.4 Field. Field shall mean the market for feline products used by: (i) persons that administer feline medical treatment or fabricate feline appliances, including, but not limited to, veterinarians, veterinary assistants, veterinary nurses, and veterinary laboratory technicians; (ii) professional, educational, governmental, and business entities that administer or teach veterinary care or fabricate feline appliances, including, but not limited to, veterinary offices, veterinary clinics, veterinary laboratories, veterinary schools, and veterinary departments of hospitals; and (iii) other business entities for the purpose of distributing feline products.

1.5 Improvements. Improvements shall mean any change, modification, or new product that is an improvement or enhancement to or in connection with the methodology of an existing Product.

1.6 Know-How. Know-how shall mean all information developed by and/or in the possession of CCI or the employees, consultants, or principals of CCI that relates to the Products, and the development and usage of the Products.

1.7 New Products. New Products shall mean any products, devices, or methods that are developed after the date of this Agreement which are for use in the dental industry and are not Products, Ancillary Products, or Improvements.

1.8 Products. Products shall mean the LED curing light developed pursuant to this Agreement, and all component parts thereof and contained therein, as designed by CCI, pursuant to the terms hereof.

1.9 Sublicense. Sublicense shall mean the conveyance by XYZ to a Third Party of rights to market the Products, subject to this Agreement.

1.10 Third Party. Third Party shall mean any person or entity other than CCI, XYZ, or the respective Affiliates of either.

2. Development and Commercialization.

2.1 Development Project. The parties will cooperate with one another for their mutual benefit with the purpose of jointly conducting research and development of the Products for all commercially reasonable indications in the Field (the "Development Work") and obtaining patent protection of the same in the Field. XYZ shall bear the costs and expenses for the Development Work on or after the Effective Date.

2.2 Development and Commercialization Efforts. XYZ shall use commercially reasonable efforts to conduct the Development Work, to obtain regulatory approvals, and to market and commercialize Products in all countries in which it is commercially reasonable to do so. All development work shall be conducted in a good scientific matter and in compliance with applicable law with a view to bring Products into commercial use as quickly as reasonably practical.

2.3 XYZ Responsibilities. Without limiting, and consistent with, its obligations set forth above:

- a. XYZ will provide the internal resources, including project management, that it deems necessary for the development and commercialization of the Products.
- b. XYZ will undertake the planning and implementation of all pre-clinical and clinical activities required to obtain all regulatory approvals necessary to sell the Products.
- c. XYZ will, at its expense, but with the assistance of CCI as reasonably requested by XYZ, compile, prepare, and file all necessary marketing authorizations and other regulatory approval filings required to market and sell Products in the Field. All regulatory certifications, permits, and the like shall be held in XYZ's name.

2.4 CCI Responsibilities.

- a. CCI will support the Development Work by providing, without charge to XYZ, reasonable technical assistance through regular consultation and participation in project teams and access to CCI's facilities and key manufacturing and development personnel as necessary or useful for the development, testing, and manufacturing and registration of the Products.

3. **Payment Obligations**

3.1 Initial Fee. On the Effective Date, XYZ shall pay CCI a non-refundable initial amount of Two Hundred and Fifty Thousand U.S. Dollars (US\$250,000).

3.2 Milestones. XYZ shall also pay CCI the amounts set forth on Exhibit A upon achievement of the milestones described on Exhibit A.

3.3 Royalties. XYZ will pay to CCI royalties ("Royalties") based on annual net sales as follows:

Following the first commercial sale of a Product:

Total Annual Net Sales (\$MM US Dollars)	Royalty Rate (%)
Less than \$2.0	6%
Between \$2.0 and \$5.0	7%
Between \$5.0 and \$10.0	8%

Over \$10.0
 3.4 Royalty Term. XYZ shall pay CCI on a country-by-country basis for the Term (defined below). 9%

3.5 Quarterly Payments. Payments of Royalties from XYZ to CCI hereunder shall be made on a quarterly basis, not later than forty-five (45) days after the last day of each quarterly calendar period for as long as such obligations continue under this Agreement. Payments shall be accompanied by reports that shall set forth the quantity of Products sold, a calculation of annual net sales and a calculation of the amounts owed to CCI for the applicable period ("Royalty Statements").

3.6 Records. XYZ shall maintain full, true, and accurate records containing all information, which may be necessary for a determination of amounts it is required to pay to CCI under this Agreement. The records shall be maintained for no less than three (3) years from the date of creation and shall be open and available for review, during XYZ's ordinary business hours, by CCI or an independent certified public accountant, retained and paid for by CCI for the purpose of verifying XYZ's compliance with its payment obligations hereunder, provided however, that CCI shall have eighteen (18) months after submission of any Royalty Statement and only once in any twelve (12) month period to contest or challenge the calculation of Royalties in such Statement and the payment of Royalties based thereon and thereafter each such Royalty Statement shall be deemed valid and binding, subject however to adjustment in the event of a claim of infringement.

3.7 Deduction for Taxes. XYZ shall bear all taxes imposed as a result of the existence or operation of this Agreement, including but not restricted to any registration tax, any tax imposed with respect to the granting or transfer of licenses or other rights except any tax which is imposed or based upon CCI's receipt of Royalty payments, income or any similar such tax. Consistent with the above provision, any tax paid or required to be withheld by XYZ or its affiliates on any annual net sales for which payments are payable to CCI under this Agreement shall be deducted from the Royalties prior to computation of the royalty payment, which deduction shall be reflected on the Royalty Statement. XYZ shall, following request by CCI, secure and send to CCI proof of any such taxes relating to annual net sales on Products paid by XYZ.

3.8 Currency. All payments due CCI hereunder are expressed in and shall be paid in United States of America currency without deduction for currency exchange costs, expenses or adjustment. Annual net sales for non-U.S. sales shall be based on the commercial rate of exchange calculated as of the date of the royalty calculation.

3.9 Error in Royalty Payment. In the event that an audit results in a determination that XYZ has paid more than required under this Agreement, such excess shall, at XYZ's option, be immediately refunded or credited against future Royalties. In the event that an audit results in a determination that XYZ has paid less than required under this Agreement, XYZ shall immediately pay the additional amount due.

3.10 Error in Royalty Payment. In the event that an audit results in a determination that XYZ has paid more than required under this Agreement, such excess shall, at

XYZ's option, be immediately refunded or credited against future Royalties. In the event that an audit results in a determination that XYZ has paid less than required under this Agreement, XYZ shall immediately pay the additional amount due.

3.11 Failure of Patent. If the claims of the Patent shall, after the execution of this Agreement, be subject to any limitation by a court order or agreement with a third party, then Royalties on sales of Products under such Patent, shall thereafter be adjusted as provided in this paragraph. If the effect of such court order or agreement is such that XYZ can no longer sell Products in a jurisdiction or that XYZ can sell Products but not on an exclusive basis in any jurisdiction and a third party is selling and/or distributing the equivalent of a Product in the jurisdiction, then no Royalties shall be payable by XYZ under this Agreement with respect to such jurisdiction until such order or agreement is modified to permit sale of Products by XYZ on an exclusive basis. If the effect of such court order or agreement is that XYZ is required to pay to maintain the right to sell the Products on either an exclusive or non-exclusive basis, then XYZ shall receive a credit against future royalties in the amount of any such payment. With respect to such agreements, which potentially impose a limitation, before XYZ enters such an agreement, XYZ shall present it to CCI for review. CCI shall determine, within fifteen (15) days of the presentation of such agreement, whether it approves of XYZ entering such agreement. If CCI does not approve of such agreement then CCI shall assume the defense of XYZ and indemnify XYZ for all costs, expenses (including reasonable attorneys fees) and liabilities arising from the subject matter of the agreement, provided that the other provisions of this paragraph shall continue to apply. In the event that any claims of the Patent shall be held legally invalid, it is hereby agreed that all Royalties on annual net sales previously paid hereunder are non-refundable.

3.12 Expiration of Patent. In the event that the Patent expires and patent protection on the Products is not extended by virtue of improvement patents, divisionals, continuations or continuations in part, reissues, or reexaminations, then XYZ may continue to make, have made, use or sell such devices, without the payment of any royalty.

4. Grant.

4.1 License Grant. In consideration of the terms contained herein, CCI hereby grants to XYZ the exclusive worldwide right and license within the Field to make, have made, further develop, research, use, promote, sell, and distribute any method, device, component, or product that is developed or learned through the development of the Products, any Ancillary Products, Improvements, or New Products, or that is covered by any claim under the Patent or Additional Patents. CCI agrees that it shall not directly or indirectly provide information, whether Know-How or general information, to, or work with, any Third Party in connection with the use or sale of the Products, Ancillary Products, Improvements, or New Products, in the Field.

4.2 Inventorship. Both parties anticipate carrying out work under this Agreement to develop the Products, and accordingly, in the course of this work employees of CCI and XYZ may make inventions, developments, and improvements that may be patentable, either individually or jointly. In recognition of this issue, the parties wish to now define their

respective rights and obligations in and to such inventions and developments and under any patent applications and patents issuing thereon:

a. All inventions and developments and patent rights thereon which may be made by employees of the parties as a result of the work under this Agreement:

1. shall belong to XYZ if invented solely by one or more employee(s) of XYZ;
2. shall belong to CCI if invented solely by one or more employee(s) of CCI; or
3. shall be owned jointly by XYZ and CCI if invented by at least one employee of each party.

b. In the event that a party hereto believes that a patent application should be filed on a joint invention under this paragraph 3.2, that party shall notify the other party of this belief, identifying the other party's believed inventor or inventors, and the parties agree that they shall then attempt in good faith to agree upon a mutually acceptable business arrangement relating to the preparing, filing, and prosecuting of patent applications(s) for such jointly owned inventions; provided that neither party shall be obligated to contribute to the costs of patent application filing or maintenance of any patent. In the event that one party does not wish to share equally in payment of the costs for preparing, filing and prosecuting such jointly owned application, the party paying such costs shall be assignee of that patent application and subsequent patents(s) issuing therefrom, if any. At any time, a party may elect to notify the other party that it intends to discontinue payment of such patent fees and shall promptly assign such patent(s) to the other party, retaining no interest therein. Notwithstanding the above, if XYZ is the party electing to discontinue payment of patent fees, it shall receive a worldwide exclusive license to make, have made, use, have used, sell, offer to sell and import the joint invention in accordance with the terms of this Agreement.

4.3 Ancillary and New Products.

a. XYZ shall have the right to develop, and the exclusive right to manufacture, have manufactured, market, and sell Ancillary Products and New Products within the Field. Any Ancillary Products and New Products that XYZ develops shall be the property of XYZ and shall not be subject to any restrictions or other claims by CCI arising under this Agreement.

b. In the event XYZ chooses, in writing, not to sell in the Field any patentable invention that CCI has developed under this Agreement, CCI may negotiate to sell, license, or otherwise transfer the patentable invention to a Third Party, subject to the terms of this Agreement. In such event, subject to XYZ's right of first refusal, as provided in paragraph 3.3.c., below, CCI agrees that if it sells or otherwise provides or transfers a patentable invention developed under this Agreement to a Third Party, CCI shall negotiate with XYZ for a reasonable royalty that CCI shall pay to XYZ for such sale or transfer.

c. XYZ shall have a right of first refusal in the Field with respect to any patentable invention that CCI develops. If XYZ has refused to exercise its right to any patentable invention, before CCI enters into any agreement with any Third Party to sell, license, or otherwise transfers such patentable invention, CCI shall present to XYZ a summary description of the essential terms and conditions of such agreement. XYZ shall have 60 days from receipt of such summary description to elect to enter an agreement with CCI upon those same terms and conditions, except if such proposed transfer involves a non-exclusive license to the Third Party, if requested by XYZ, CCI agrees to offer such license to XYZ on an exclusive basis.

5. Component Parts. XYZ may elect to manufacture any part of the Product and purchase some or all of the remaining component parts from CCI. In the event XYZ chooses to do so, the parties will negotiate a reasonable price for such component parts and XYZ will issue Purchase Orders for those component parts from CCI.

6. Patents.

6.1 **Prosecution and Maintenance.** From the date of this Agreement, XYZ shall take all action with respect to applications for patents that it deems appropriate, including but not limited to, prosecution of those applications, maintaining any patents issued thereon, filing continuations, continuations-in-part, amendments, modifications, and taking any other action with respect to the applications or patents thereafter issued. If necessary, CCI shall execute any and all assignments or other documents necessary for such patents to be filed and recorded in XYZ's name. Upon the request of XYZ, CCI will cooperate in all respects in filing additional applications for letters patent related to the Products, New Products, Improvements, and any developments or improvements thereof, without additional compensation.

6.2 **Patent Fees.** XYZ shall be responsible for all reasonable out-of-pocket fees, costs, and expenses that CCI incurs in connection with the prosecution and maintenance of any applications and any additional applications for letters patent CCI seeks for the Products. CCI shall be responsible for all fees and costs it incurs in connection with the prosecution and maintenance of all other applications and additional applications for letters patent that it seeks pursuant to this Agreement. XYZ shall be responsible for all fees and costs incurred in connection with any applications for letters patent that it seeks related to the New Products, Improvements, and any developments or improvements thereof.

7. Duration and Termination of Agreement.

7.1 **Term.** This Agreement shall remain in effect until the last of the Patents that issue expires, unless otherwise terminated pursuant to the terms of this Agreement (the "Term"). XYZ shall advise CCI within ninety (90) days if it is terminating the Agreement because it is no longer developing or marketing any of the Products. Upon expiration of the Term, XYZ, and any Affiliates having them, shall immediately cause to be delivered to CCI any documents comprising Know-How that CCI has provided to XYZ.

7.2 **Bankruptcy.** If XYZ or CCI shall be adjudicated bankrupt, or make a general assignment for the benefit of creditors or otherwise, or take the benefit of any insolvency, reorganization, or other relief act, or if a receiver or trustee be appointed for its property, then this Agreement may be terminated forthwith upon written notice, at the option of the party not so involved.

7.3 **Default.** Either party acting alone may terminate this Agreement if the other party should fail to perform the covenants and agreements made herein, and that failure is not corrected or action taken and diligently pursued to correct such failure, within thirty (30) days after written notice thereof from the party not in default.

7.4 **No Penalty.** No penalty or indemnity, except as to sums due and owing pursuant to the terms of this Agreement, shall be owed by either party to the other party for termination of this Agreement for reasons provided in the above Sections 6.1 through 6.3, above, but these Sections do not excuse either party for damages resulting from a breach of the Agreement.

7.5 **Survival.** In the event of termination of this Agreement, the parties agree that the terms of Paragraphs 3, 4.2, 4.3, 7.4, 7.5, 8.1, 8.2, 10, 11, 12, 16, 17, and 18 of this Agreement shall survive termination and be binding upon the parties.

8. Failure of Patents.

8.1 **Failure of Patents.** If the claim of any Patent that issues shall be subject to any limitation by a court order or agreement with a Third Party, then, if the effect of such court order or agreement is that XYZ is required to pay a royalty to maintain the right to sell the Products on an exclusive basis, XYZ shall receive a credit against the cost of each unit of the Product in the amount of any such payment, on a per unit based calculation, to the extent that is feasible. In the event that any claims of patents shall be held legally invalid, XYZ shall be free to have the Product manufactured by any person or entity it chooses, and to sell the Products in the Territory without any remuneration due to CCI therefor.

8.2 **Expiration of Patents; Failure to Issue.** In the event that a Patent expires and patent protection on the Products are not extended by virtue of improvement patents, divisionals, continuations or continuations in part, reissues, or reexaminations, or if no patent issues for any of the Products, XYZ may continue to make, have made, use, or sell such Product without the payment of any royalty or any other remuneration to CCI.

9. Products & Products Information.

9.1 The parties agree that if XYZ elects to market and/or sell the Products for any use, XYZ will package and resell the Products under its own brand or tradename. XYZ shall own all rights to such brand or tradename and CCI shall claim no rights or interest therein. XYZ shall be free to advertise, market, and promote the Products as it determines to be appropriate.

9.2 CCI shall provide to XYZ information concerning the Products as XYZ requests, which shall include, but not be limited to, any data or information filed with or provided to the U.S. Food and Drug Administration ("FDA") and Know-How.

9.3 CCI shall use reasonable commercial efforts to keep XYZ informed of any research and product development activities in which CCI is engaged or becomes aware of with respect to the Product.

9.4 The parties agree to use all reasonable efforts to develop the Products in order to begin to introduce the Products for sale in the Territory as soon as possible.

9.5 XYZ shall be responsible for all FDA approvals required in connection with the Products.

10. Patent Protection and Infringement.

10.1 Infringement Actions.

a. If XYZ believes a Third Party is infringing any claim of a Patent, XYZ shall provide CCI with evidence of such infringement, if the patent is issued in CCI's name. If CCI does not file suit against the infringer or otherwise cause such infringer to cease the infringing activities within 4 months of CCI's receipt of evidence of the infringement, XYZ shall have the right to file suit in its own name and in the CCI's name for its own account. If XYZ files suit against such infringer, CCI will cooperate with XYZ at no expense to CCI in such suit, but CCI shall have the right, at its own expense, to also be represented by counsel of its choice. In the event XYZ asserts a claim in the name of CCI, XYZ will hold CCI harmless from any claims or assessments except a claim of patent invalidity arising from such action.

b. If CCI files suit against an infringer of a Patent and XYZ chooses to participate in the litigation, each party will pay its own litigation costs (if both parties are using the same counsel each party will pay 50% of the counsel's fees and litigation costs), and if there is an award and recovery, the recovery will first be used to reimburse each party for its actual out-of-pocket expenses, including attorney's fees incurred in connection with such litigation, on a pro rata basis. If there are any sums remaining after XYZ and CCI have recovered all of the costs, the remaining amount shall be equally divided between the two.

c. If CCI files suit against an infringer of a Patent and XYZ chooses to not participate in the litigation, CCI will pay all litigation costs and will be entitled to the entire award and recovery.

d. If XYZ files suit against an infringer of a Patent and CCI chooses not to participate in the litigation at its expense, (i) XYZ will pay all litigation costs, (ii) XYZ will calculate the total amount due for reimbursement or payment of such costs and deduct that amount from any current or future amounts due CCI, (iii) any award and recovery shall be applied first in payment of any uncovered litigation costs relating to the suit, next toward reimbursement of CCI for

any such costs reduced from amounts due CCI or withheld and applied pursuant to this paragraph, and the remaining balance from any such recovery shall belong to XYZ.

e. Neither party may settle with an infringer without the prior written consent of the other party if such settlement would affect the rights of such other party under this Agreement, which approval shall not be unreasonably withheld.

10.2 Cooperation. In any patent litigation, each party shall, at the other party's request and expense, reasonably cooperate in all respects with the prosecution of that action.

10.3 No Obligation to Sue. The parties agree that neither of them shall have an obligation to institute suit against any third parties for patent infringement, nor shall either of them have any obligation to pay for the costs of such actions, other than as set forth above.

11. Warranties.

11.1 CCI Warranties. CCI warrants to XYZ and agrees as follows:

a. CCI has the full right, power, and authority to execute and deliver this Agreement and to perform its obligations and to grant the rights set forth herein.

b. CCI does not have any outstanding agreements, assignments, or encumbrances that are inconsistent with the provisions of this Agreement, and CCI will not enter into any during the Term of this Agreement.

c. CCI has duly and validly obtained any and all consents, approvals, authorizations, and other actions of any Third Party necessary to be obtained by CCI with respect to this Agreement.

d. CCI has no knowledge of or reason to believe that the development or use of the Products or Know-How will infringe upon any patent, trademark, service mark, copyright, or other intellectual property right of any Third Party.

e. CCI has no knowledge of any infringement or of any pending or threatened claim relating in any manner to the Know-How or the Products.

f. CCI's execution, delivery, and performance of this Agreement do not violate or infringe upon any Third Party's rights.

g. CCI's execution, delivery, and performance of this Agreement will not violate any law, ordinance, rule, regulation, or any judgment, writ, injunction, or order of any court, governmental, administrative, or regulatory authority.

11.2 XYZ Warranties. XYZ warrants to CCI and agrees as follows:

a. XYZ has the right and power to execute and deliver this Agreement and to perform its obligations hereunder, and XYZ has taken all corporate action necessary to be taken with respect to this Agreement.

b. XYZ has duly and validly obtained any and all consents, approvals, authorizations, and other actions of any Third Party necessary to be obtained by XYZ with respect to this Agreement.

c. XYZ's execution and delivery of this Agreement and its performance of its obligations hereunder, will not violate or infringe upon any Third Party's rights.

12. Hold Harmless & Indemnity.

12.1 CCI Indemnity.

a. CCI shall indemnify, defend, and hold harmless XYZ and its Affiliates and sublicensees, and all their officers, directors, employees, and agents from and against any and all loss, cost, damage, liability, and expense (including without limitation reasonable attorneys fees, court costs, and other reasonable litigation expenses) suffered, sustained, or incurred as a result of, arising out of, or in connection with, any claims by any Third Party alleging infringement or violation of such Third Party's rights in connection with any Patents issued to CCI or any products covered by any claims contained in those Patents, unless any such claims by any Third Party arise from the wrongful or negligent acts or omissions of XYZ or its Affiliates or sublicensees.

b. CCI shall indemnify, defend, and hold harmless XYZ and its Affiliates and sublicensees, and all their officers, directors, employees, and agents from and against any claims, expenses (including reasonable attorneys fees), damages, and liabilities arising from any breach of any representation and warranty made by CCI.

12.2 XYZ Indemnity.

a. XYZ shall indemnify, defend, and hold harmless CCI and its Affiliates and sublicensees, and all their officers, directors, employees, and agents from and against any and all loss, cost, damage, liability, and expense (including without limitation reasonable attorneys fees, court costs, and other reasonable litigation expenses) suffered, sustained, or incurred as a result of, arising out of, or in connection with, any claims by any Third Party alleging infringement or violation of such Third Party's rights in connection with any Patents issued to XYZ or any products covered by any claims contained in those Patents, unless any such claims by any Third Party arise from the wrongful or negligent acts or omissions of CCI or its Affiliates or sublicensees.

b. XYZ shall indemnify, defend, and hold harmless CCI and its Affiliates and sublicensees, and all their officers, directors, employees, and agents from and against

any claims, expenses (including reasonable attorneys fees), damages, and liabilities arising from any breach of any representation and warranty made by XYZ.

13. Sublicenses.

13.1 Authority to Sublicense. The terms and conditions under which XYZ may grant Sublicenses shall rest solely in XYZ's discretion as long as the relevant requirements set forth in this Agreement are met, and the rights granted in Section 3 include the right of XYZ to grant Sublicenses.

13.2 Survival of Sublicenses. Any Sublicense that XYZ grants pursuant to this Agreement prior to termination of this Agreement shall not survive the termination of this Agreement and shall terminate in accordance with the terms of this Agreement.

14. Third Party and Compulsory Licenses.

14.1 Third Party Licenses. In the event that XYZ is required to pay royalties to any Third Party on account of making, having made, using, or selling Products by virtue of a Third Party having rights under a patent or other rights, XYZ shall give written notice thereof to CCI, and XYZ shall thereafter deduct the amount so due from any amount XYZ owes CCI for Products.

14.2 Compulsory License. In the event that a governmental agency in any country or territory grants or compels CCI to grant the right to any Third Party for any Products, XYZ shall have the benefit in such country or territory of the terms granted to such Third Party to the extent that such terms are more favorable than those of this Agreement. Also in such event, XYZ shall be free to manufacture, or have any person or entity manufacture, the Product, and to sell the Products in the Territory, without any remuneration due to CCI therefor.

15. Notices.

15.1 All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if sent by confirmed facsimile telecopier to the facsimile telecopier number of the intended recipient as set forth below, or delivered or mailed by certified or registered mail, return receipt requested, postage prepaid, to the address of the intended recipient set forth below, or to such other facsimile telecopier number or address as either party hereto may designate for itself in writing from time to time:

a. If to XYZ:

XYZ Inc.
 555 West Main Street
 South Hampton, DE 12345
 Attention: Vice President and General Manager

Facsimile Telecopier Number: (515) 555-5717

With a copy to:

XYZ Inc.
 123 South Orange Street
 South Hampton, DE 12346
 Attention: Secretary

Facsimile Telecopier Number: (515) 555-5475

b. If to CCI:

Curing Cats Inc.

Attention: _____

Facsimile Telecopier Number: (____) ____-____

16. Confidentiality.

16.1 Confidential Information. The term "Confidential Information" shall mean any information disclosed by one party to the other pursuant to this Agreement that is identified as confidential by the disclosing party or that the recipient knows or has reason to know is deemed confidential or proprietary by the disclosing party.

16.2 Confidentiality. Each party, unless otherwise provided by the written consent of the other, shall treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except as set forth herein, and shall use reasonable efforts not to disclose such Confidential Information to any Third Party. Without limiting the foregoing, each of the parties shall use at least the same degree of care which it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information disclosed to it by the other party under this Agreement. Each party shall promptly notify the other party of any actual or suspected misuse or unauthorized disclosure of the other party's Confidential Information.

16.3 Exceptions. Notwithstanding the above, neither party shall have liability to the other with regard to any Confidential information of the other which the receiving party can demonstrate:

- a. was in the public domain at the time it was disclosed or has entered the public domain through no fault of the receiving party;
- b. was known to the receiving party at the time of the disclosure;
- c. is disclosed with the prior written approval of the disclosing party;
- d. was independently developed by the receiving party without use of the Confidential Information;
- e. became known to the receiving party, without restriction, from a source other than the disclosing party without breach of this Agreement by the receiving party and otherwise not knowingly in violation of the disclosing party's rights;
- f. is disclosed generally to any Third Party by the disclosing party without restrictions similar to those contained in this Agreement; or
- g. is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving party shall provide prompt written notice thereof to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure.

16.4 Return of Confidential Information. In the event the parties terminate this Agreement, each party shall upon request return all tangible Confidential Information received from the other party.

16.5 Previous Confidentiality Agreements. All previous confidentiality agreements between the parties, except the one contained in the Supply Agreement, are superseded by this Agreement.

17. General Provisions.

17.1 Assignment. This Agreement shall not be assignable or transferable by the parties without the express written consent of the other party hereto, which consent shall not be unreasonably withheld, except that the Agreement may be transferred to an Affiliate of the party provided that the assignor remains secondarily liable for its obligations and or liabilities hereunder. This Agreement shall inure to the benefit of and be binding on successors and assigns of the parties.

17.2 Entire Agreement. This Agreement and all exhibits hereto, together with the Supply Agreement, constitute the entire agreement between the parties as to the subject matter

hereof and supersede and take the place of all prior agreements, and can only be modified by a writing subscribed by the parties hereto.

17.3 Headings. All Section headings are for purposes of ready reference and shall not be of interpretive significance.

17.4 Severability. Except as otherwise provided herein, if one or more of the provisions hereto shall be found to be illegal, this shall not affect or invalidate the obligations or benefits of the provisions hereof remaining which can be given effect without the illegal provision, and to this end the provisions of this Agreement are intended to be and shall be deemed severable.

17.5 Non-Waiver. A failure of either party to enforce its rights hereunder shall not be deemed a waiver of such rights.

17.6 Governing Law. This Agreement shall be deemed to have been made and entered into pursuant to the laws of the State of Delaware. In the event of any dispute thereunder, this Agreement shall be governed by and construed according to the laws of the State of Delaware.

17.7 Execution. This Agreement may be executed in counterparts, including confirmed telefaxed signature pages, which shall be deemed a duly executed Agreement.

17.8 Dispute Resolution. Other than claims for equitable or injunctive relief, any dispute or claim relating to this Agreement, any ancillary agreement or document executed in connection with this Agreement or the transactions contemplated by this Agreement (unless such agreement or document provides otherwise), or any amendment of any of the foregoing, including without limitation as to their existence, validity, enforceability, interpretation, performance, breach, or damages, including claims in tort, whether arising before or after the termination of this Agreement, shall be settled only by binding arbitration pursuant to the rules of the American Arbitration Association (the "Rules"); provided, however, that: (a) the arbitration shall take place in Wilmington, Delaware; (b) there shall be three (3) arbitrators, who shall be selected under the normal procedures prescribed in the Rules, (c) at the arbitration hearing, each party may make written and oral presentations to the arbitrators, present testimony and written evidence, and examine witnesses; (d) the arbitrators shall have the power to award punitive damages; (e) the arbitrators shall issue a written decision explaining the basis for such decision; (f) such decision shall be final, binding, and enforceable in any expenses of the arbitrators and of the administrator's fees for the arbitration.

17.9 Attorney Fees. In the event of any controversy, claim, or dispute relating to this Agreement, or breach thereof, the prevailing party shall be entitled to recover from the losing party reasonable attorney's fees, expenses, and costs.

18. Force Majeure. Neither party shall be liable for damages or considered to be in breach of this Agreement for any delay or failure in performance resulting from any cause beyond its reasonable control, including labor strike, raw materials shortage, unavailability of supplies, fire, acts of governmental authorities, acts of God, or any other cause beyond the control of

the parties. Performance of obligations, unless already due and owing, shall be suspended during such period of force majeure and the obligations of the parties affected by such force majeure shall be equitably adjusted.

IN WITNESS WHEREOF, intending to be legally bound, the parties hereto have caused this instrument to be duly executed in duplicate.

ATTEST XYZ Inc.
 _____ By: _____
 Name: _____
 Title: _____

ATTEST Curing Cats Inc.
 _____ By: _____
 Name: _____
 Title: _____

XYZ, Inc.
Trademark/Service Mark Search Request Form

This information is submitted to the XYZ Legal Department for the purpose of securing legal advice, and its contents are confidential and subject to the Attorney/Client Privilege.

Instructions:

- A. Complete and send to _____ in Legal, with a copy to _____
- B. Attach additional sheets if necessary to fully respond.

1. Name of requestor: _____
2. Date of request: _____ Date response needed: _____
3. Proposed mark: _____
4. Will proposed mark include a specially designed typeface or graphic element, artwork? If yes, please attach a sample.

Will color or a sound be an important element of the proposed mark? If yes, please attach a sample.
5. Proposed use: describe all goods or services proposed mark will be used with:

6. Will proposed mark be part of or used with a slogan or tagline, a toll-free number? If yes, please describe. _____

Will proposed mark be incorporated into store designs? If yes, describe:

7. What is geographic scope of proposed use (local, regional, national, outside the U.S.)?

If outside the U.S., list countries: _____
8. Will any customers use the proposed mark? (in advertising? POS?) If yes, identify which ones: _____

Will any other third parties use the proposed mark? If yes, please identify: _____

In what channels of trade will the proposed mark be used? _____

XYZ Co., Inc.
Trademark/Service Mark Search Request Form

9. When will use of proposed mark begin? _____

What is anticipated duration of use (a season, a quarter, a year, long-term)?

10. Check all other proposed uses that apply:

<input type="checkbox"/> Product labels <input type="checkbox"/> POS <input type="checkbox"/> Advertising: <input type="checkbox"/> TV <input type="checkbox"/> Radio <input type="checkbox"/> Online <input type="checkbox"/> Other (describe)	Packaging: <input type="checkbox"/> Primary <input type="checkbox"/> Secondary (such as package inserts) Internet: <input type="checkbox"/> On website <input type="checkbox"/> As part of a domain name <input type="checkbox"/> Promotional items such as t-shirts or caps (list all)
--	---
11. Is the intent to use the proposed mark as a major brand? _____

What is the projected revenue of the brand? _____

What is the estimated advertising & promotion budget for the brand? _____

Describe the target customer for the brand: _____
12. Is the intent to obtain a trademark registration if possible? _____
13. Are you aware of any similar marks used by competitors or other companies? If yes, please list them (include marks that sound similar but are spelling differently and different words that have the same meaning) and the products they are used with:

14. Does the proposed mark have any special meanings in our industry?

15. Has the proposed mark been translated into any other languages? If yes, please list the languages and provide the translations. _____

Have the proposed mark and any translations been reviewed and cleared for accuracy, problematic meanings, and consistency with local cultural sensitivities?

This information is submitted to the XYZ Legal Department for the purpose of securing legal advice, and its contents are confidential and subject to the Attorney/Client Privilege.

XYZ Co., Inc.
 Trademark/Service Mark Search Request Form

16. Is there a backup mark if the proposed mark is not cleared? If yes, what is it?

17. Who suggested proposed mark -- _____ company employee; _____ ad agency;
 _____ other consultant (if so, please provide name) _____

CONFIDENTIAL – SUBJECT TO ATTORNEY/CLIENT PRIVILEGE

ANTITRUST GUIDELINES FOR CREATING DOCUMENTS

DO'S AND DON'TS

1. When referring to our products, use the term "market" in connection with the most extensive definition of our competitive landscape. *[Example: Is the market blenders? Handheld electrical blending products? Handheld blending products? Is the market socks or all footwear?]* Using the term "market" to refer to a sub-set of all the products that actually compete with ours could result in an inaccurate description of our competitive situation. For such subsets, use terms such as "segment," "category" or something similar.
2. Do not use the term "market":
 - to refer to distribution channels. *[Example: big box retailers and wholesale distributors are not a "market" in the antitrust sense of that word.]*
 - to refer to geographic areas smaller than an average sized nation. For cities, regions, small countries and other limited geographic areas, use specific, objective terms such as "area," "region" or the like.
3. Using the term "market" when referring to activities that promote our products is acceptable.
4. Do not use terms such as "control", "power", or "dominate" when referring to the our present or future position in all or in any part of the _____ market.
5. Do not use vivid words and images suggesting combat ("crush," "destroy," "block access," "conquer," "dominate") to describe the company's marketing practices.
6. Contact the legal department if in doubt about the need for legal advice, or about the legality of any proposed course of conduct. Seek advice before the company is committed to that course of conduct.

This information is submitted to the XYZ Legal Department for the purpose of securing legal advice, and its contents are confidential and subject to the Attorney/Client Privilege.

CONFIDENTIAL – SUBJECT TO ATTORNEY/CLIENT PRIVILEGE

ANTITRUST GUIDELINES FOR CREATING DOCUMENTS
BACKGROUND AND EXPLANATION

I. THE TERM "MARKET"

The word "market" has a specific legal meaning -- it is the arena in which competition takes place. A statement about the "market" stakes out a legal position regarding the range of products that compete with our own products. The extent of the competition our company faces is critical in determining the outcome of many antitrust issues and proceedings. It is essential to be accurate when using the term "market".

A. When referring to [products]

Discuss any available research showing what consumers view as substitutes for your company's products

Accordingly, we must not use the term "market" to refer to any specific subset of our products or any category of products that includes less than all _____. When focusing on specific subsets or categories, use a term other than "market," such as "*category*" or "*segment*". When referring to volume, or other statistics on individual products or narrow groups of products, be specific and factual: refer to "sales," "shipments" or a similar appropriate term.

B. When referring to distribution channels

No individual channel of distribution constitutes a "market" in the legal sense. Although this use may be part of our company's vocabulary, it is not good practice to refer to the "wholesale distributor market," "big box retailer market" or "discount retailer market." Use terms such as "channel" when focusing on specific distribution methods or businesses.

C. When referring to geographic areas

There is a tendency to refer to a specific geographic area as a "market." The leading companies in many industries are truly global, while many do business in numerous countries. In our industry [tailored remarks]. These facts indicate that the geographic scope of the ___ market is much broader than any single [*state, region, nation*]. Although it is not the most helpful practice in terms of our legal position, it is usually acceptable to refer to an average-size nation as a "market" in the geographic sense, but it is inadvisable to refer to a specific town, city, state, province, or even a small nation as a "market". For example, referring to the [*French electrical appliance market*] is acceptable, but referring to the [*Paris electrical appliance market*] is not the best description of actual competition in our industry. Use a more specific term, such as "the Paris area".

II. OUR COMPANY'S POSITION IN THE MARKETPLACE

Her ecounsel might discuss the company's specific competitive position when analyzed on the basis of the broad market description described previously. Point out reasons

why the company lacks the power to dictate product choices to consumers or customers. Describe what role powerful customers play in your industry that would preclude your company from being able to raise prices at will.

This is why it is inaccurate to suggest that the company is in a position to "control" the dynamics of the marketplace in which we operate. Terms like "market power", "dominance", "erecting or raising barriers to entry", and "controlling pricing" have specific meanings in antitrust law. If we use these terms inaccurately, we could subject ourselves to the risk that a court would impose restrictions on how we operate that do not apply to our competitors.

III. HOW WE MARKET OUR PRODUCTS

The laws of antitrust and competition of the various states/countries in which we operate govern how we market our products and can be complicated and counter-intuitive. The penalties for violations can be severe. Even if a particular action is eventually found to be legal, litigation is expensive and disruptive.

The basic premise of competition laws is fairly simple. A company can use its legitimate advantages, such as a strong intellectual property portfolio including patents and trademarks, a superior distribution system, a reputation for high quality and good value, to increase the sales of its products. What is generally not allowed is to try to stop our competitors from using similar efforts. We can run our best race, but we cannot trip the guy in the next lane.

The temptation to describe our marketing activities in terms that exaggerate our capabilities or intent is often strong. Courts and juries often misinterpret and draw negative conclusions when they read a defendant's documents that use militaristic or physical imagery – such as "crushing our competitor", "eliminating or blocking access" by competitors or their products, or "controlling or dominating markets or distribution channels". This is just not the case with our company.

IV. IF YOU HAVE QUESTIONS ABOUT HOW TO DESCRIBE OUR ACTIVITIES, CALL THE LEGAL DEPARTMENT.

MANUFACTURING AGREEMENT

This Manufacturing Agreement (the "Agreement") is made by and between:

_____, a company duly incorporated and operating under the laws of the People's Republic of China ("PRC") with its business address at _____, PRC (the "Manufacturer"),

and

XYZ Company ("XYZ"), a company duly incorporated and operating under the laws of the United States of America ("USA") with its business address at XYZ Street, South Hampton, CE USA (the "Buyer").

Buyer seeks a manufacturer to manufacture products invented or originated by Buyer. Buyer also seeks a source from which it can buy other small electric appliances and other products and resell them through its marketing channels.

Manufacturer seeks to manufacture products invented or originated by Buyer. Manufacturer also seeks a buyer for small electric appliances and other products that it manufactures.

Therefore, in consideration of the mutual covenants and premises contained herein, Manufacturer and Buyer agree as follows:

1. Buyer's Products

1.1. Manufacturer agrees to manufacture for Buyer products that Buyer invents, originates or for which Buyer owns the tooling and molds ("Buyer's Products"). Buyer's Products are the exclusive property of Buyer. All design or patent rights applied for or not applied for and any other rights including intellectual property rights or trade, manufacturing or business secrets associated with Buyer's Products are the exclusive property of Buyer.

1.2. Buyer may submit ideas and basic designs for Buyer's Products to Manufacturer to obtain manufacturing cost estimates. If agreed between Buyer and Manufacturer, Manufacturer may redesign, reengineer or otherwise make improvements to the design or engineering of Buyer's Products. Such improvements are the exclusive property of Buyer.

1.3. If Buyer and Manufacturer agree to terms for the manufacturing of Buyer's Products, such products will be manufactured in Manufacturer's factories.

1.4. Manufacturer will use Buyer's intellectual property rights as specified by Buyer on Buyer's Products. The use, appearance or representation of Buyer's intellectual property will be in accordance with Buyer's instructions. Buyer warrants that it has the legal right to use patents, trademarks, copyrights and other intellectual property that it directs Manufacturer to utilize.

1.5. Manufacturer will not sell, assign or pledge Buyer's Products to any third party without the express written consent of Buyer.

2. Manufacturer's Products

2.1. Manufacturer agrees to sell to Buyer other products that Manufacturer invents or originates or otherwise manufactures in its factories ("Manufacturer's Products"). Manufacturer's Products are the exclusive property of Manufacturer. All design or patent rights applied for or not applied for and any other rights including intellectual property rights or trade, manufacturing or business secrets associated with Manufacturer's Products are the exclusive property of Manufacturer.

2.2. Buyer will sell Manufacturer's Products through Buyer's marketing channels. Buyer will only sell Manufacturer's Products in territories approved by Manufacturer. If Buyer sells Manufacturer's Products to any third party for resale or distribution, Buyer will bind the third party to the territory limitation.

2.3. Manufacturer will not sell the same, similar or competing Manufacturer's Product to any third party in the same territory to which it sells the same, similar or competing Manufacturer's Product to Buyer.

3. Application of This Agreement

3.1. This Agreement applies generally to the manufacture and sale of Buyer's Products and Manufacturer's Products. Whenever there is an amendment, supplement (such as a Purchase Order) or alteration of the provisions of this Agreement, Buyer and Manufacturer will discuss and negotiate such provisions, and the same will be valid only if confirmed in writing by representatives of Buyer and Manufacturer.

3.2. All separate agreements made between Buyer and Manufacturer for the manufacture of Buyer's Products or sale of Manufacturer's Products are subject to this Agreement. If the separate agreements contain any provisions that are inconsistent with the provisions of this Agreement, the provisions of this Agreement will prevail.

4. Product Specifications and Standards

4.1. Buyer's Products and Manufacturer's Products are sometimes collectively referred to herein as "Products".

4.2. Manufacturer will manufacture Buyer's Products in conformity with all aspects of the specifications as agreed between Buyer and Manufacturer in the normal course of business and generally compiled in "Blue Books" for Buyer's Products. Blue Books are manuals compiled by Buyer with the participation of Manufacturer and outline Buyer's Product specifications. Specifications contained in the Blue Books and other specifications given to Manufacturer from Buyer will be known herein as "Blue Book Specifications". Manufacturer agrees to maintain the quality and standard of Buyer's Products and to comply with Blue Book Specifications as required by Buyer.

4.3. Blue Book Specifications will not be altered or varied in any way unless agreed between Buyer and Manufacturer in writing.

4.4. Manufacturer and Buyer acknowledge that Manufacturer has greater expertise regarding specifications and accepted standards and tolerances. Manufacturer will inform Buyer immediately if Blue Book Specifications or other Product aspect do not meet generally accepted or recommended standards and tolerances.

5. Product Packaging and Markings

All Products packaging and printing will conform to Buyer's requirements and comply with the standard requirements of the territory or countries where the Products are sold or marketed. All packaging, including packaging for transportation, will use the trademarks, badges, marks, or other symbols specified by Buyer.

6. Product Certifications and Legal Requirements

6.1. Manufacturer undertakes that Products will comply with the legal requirements of territories in which the Products are to be sold and marketed by Buyer, in particular, the laws and regulations relating to safety and quality in force within the territory. In case such legal requirements or regulations change, Buyer will undertake to notify Manufacturer immediately and Manufacturer will take corresponding action to modify the Products so as to comply with the legal requirements of the territory. Responsibility for payment of costs and expenses incurred as a result of such changes will be negotiated between Buyer and Manufacturer.

6.2. Manufacturer undertakes to obtain the relevant approvals and/or Product certifications as traditionally expected in the territories (e.g. in North America UL, ETL and other such certifications) and as directed by Buyer.

6.3. Manufacturer will supply Buyer with a reasonable quantity of Product samples for the purpose of obtaining approvals within the marketing territory and obtaining initial sales commitments. Manufacturer will make appropriate Product modifications as directed by Buyer, but ensuring that the Products meet accepted standards and tolerances.

7. Manufacturer's Quality Assurance

7.1. The Products, their materials and parts supplied by Manufacturer to Buyer will comply with the standards of quality required by the PRC or the territories into which the Products will be exported or as otherwise agreed between Buyer and Manufacturer. At a minimum, Manufacturer will supply products that (a) are free from defects in workmanship and materials, (b) conform to the Specifications, (c) conform to Blue Book Specifications, and (d) will be fit for the purposes for which they are intended (i.e. that they shall be commercially acceptable).

7.2. Manufacturer will supply to Buyer spare parts totaling up to 2% of Product models ordered in any 12 month period at no charge.

7.3. If either Buyer or Manufacturer observes an increase in the frequency of malfunctions, defects or returns, the observing Party will inform the other Party of the observation immediately. Buyer and Manufacturer will consult each other and agree upon taking the most effective measures to remedy and rectify such defects to avoid the incurrence of further loss and damage.

7.4. If Buyer recalls Products from the market, then Manufacturer will indemnify Buyer for any liabilities, damages, costs and expenses (including reasonable attorneys' fees) associated with recall of the Products.

7.5. If Products are claimed to be defective or unsafe, then Manufacturer agrees to indemnify Buyer for any liabilities, damages, costs and expenses (including reasonable attorneys' fees) finally awarded or paid in settlement with respect to any such claim.

8. Factory Inspections

8.1. During Product manufacture, Buyer or its appointed agent have the right to visit and inspect Manufacturer's production sites (including sites of sub-contractors) without advance notice during normal operating times.

8.2. Buyer and Manufacturer will meet or communicate on a quarterly basis, or as otherwise agreed between the Parties, to exchange information including information about quality control, Product improvement, POs, anticipated Product sales and production volumes, capacity, efforts of competitors, marketing efforts, and other matters as mutually agreed upon between Buyer and Manufacturer.

9. Tooling and Molds

9.1. Buyer owns the following tooling and molds (referred to herein as "Buyer's Tooling"):

9.1.1. Those which Buyer owns and transfers to Manufacture and Manufacturer agrees to accept.

9.1.2. Those which Buyer pays a reasonable fee to Manufacture to open pursuant to a written agreement between Buyer and Manufacturer.

9.1.3. Those which Manufacturer pays to open, but the cost of which are amortized to Buyer based on a specific period of time or quantity of Product Buyer agrees to buy pursuant to a written agreement between Buyer and Manufacturer.

9.1.4. Tooling and molds for all Buyer's Products.

9.2. Buyer owns all rights to Buyer's Tooling.

9.3. Manufacturer will use Buyer's Tooling only to manufacture Buyer's Products. Manufacturer will not use Buyer's Tooling to manufacture any products for any other company or to manufacturer products for which Buyer has not issued a valid PO, except that with Buyer's prior written permission, Manufacturer may manufacture parts and product for stockpile in anticipation of Buyer's need. Manufacturer will make repairs and modify Buyer's Tooling as necessary to ensure the quality of Buyer's Product.

9.4. Manufacturer will store, maintain and protect Buyer's Tooling while Buyer's Tooling is in Manufacturer's custody. Manufacturer makes no claim to any form of ownership of or lien against Buyer's Tooling. Within 14 days of termination of this Agreement, Buyer's Tooling will be transferred to Buyer's representative in the PRC. Manufacturer will take all steps reasonably necessary to provide a smooth transfer of Buyer's Tooling and ensure that Buyer's Tooling is transferred in good working condition.

9.5. Manufacturer will make no claim of ownership of any improvement (engineering, design or other improvement) to Buyer's Tooling or Buyer's Products.

9.6. Manufacturer will notify Buyer approximately 30 days prior to the date Buyer's Tooling has filled its lifespan and is no longer useable. Within one week of Buyer's Tooling becoming unusable, Manufacturer will hand over and release such tooling to Buyer's representative in China or make arrangements with Buyer, confirmed in writing, regarding destruction or disposal of such tooling. New Buyer's Tooling will be manufactured to Buyer's satisfaction. Fees and cost associated with new Buyer's Tooling will be borne by Manufacturer.

9.7. All rights to the tooling and molds for Manufacturer's Products belong to Manufacturer.

10. Intellectual Property

10.1. Buyer represents and warrants that the intellectual property (patents, trademarks,

copyrights, trade secrets and other intellectual property) it represents to Manufacturer as Buyer's own does not and will not infringe or misappropriate any intellectual property right of any third party, and as of the date of this Agreement, Buyer has not received notice or claim to the contrary. Buyer will indemnify, defend and hold Manufacturer harmless from and against any costs, expenses, liabilities or damages incurred by Manufacturer in connection with any actual or alleged breach of Buyer's warranties set forth in this section, including any claim alleging that Buyer's Products infringe any intellectual property or misappropriates any trade secret, and shall pay any liabilities, damages, costs and expenses (including reasonable attorneys' fees) finally awarded or paid in settlement with respect to any such claim.

10.2. Manufacturer represents and warrants that the intellectual property (patents, trademarks, copyrights, trade secrets and other intellectual property) it represents to Buyer as Manufacturer's own does not and will not infringe or misappropriate any intellectual property right of any third party, and as of the date of this Agreement, Manufacturer has not received notice or claim to the contrary. Manufacturer shall indemnify, defend and hold Buyer harmless from and against any costs, expenses, liabilities or damages incurred by Buyer in connection with any actual or alleged breach of Manufacturer's warranties set forth in this section, including any claim alleging that the Manufacturer's Products infringe any intellectual property or misappropriates any trade secret, and shall pay any liabilities, damages, costs and expenses (including reasonable attorneys' fees) finally awarded or paid in settlement with respect to any such claim.

10.3. Buyer owns all intellectual property rights to Buyer's Products and the parts, accessories and improvements to Buyer's Products. If Buyer or Manufacturer makes design, engineering or technical improvements to Buyer's Products, the rights to any resulting intellectual property will be Buyer's. Buyer will apply for intellectual property rights and Buyer will bear all costs associated with obtaining intellectual property rights.

10.4. Manufacturer agrees to take all actions reasonably requested by Buyer, both during and after the term of this Agreement, to assign to Buyer and to establish (including, without limitation, assisting in obtaining or registering copyrights, patents, trademarks or similar property rights and executing assignments to Buyer), perfect, exercise or protect Buyer's rights in any Buyer's Product or improvements to Buyer's Products. If Buyer is unable for any reason to obtain Manufacturer's approval or signature on any document necessary or useful to claim, secure, extend, protect or enforce any right in intellectual property to which Buyer has a reasonable claim, then Manufacturer hereby appoints Buyer and its duly authorized officers as agent and attorney-in-fact to act for Manufacturer and in its place and stead for the purpose of accomplishing such act with the same legal force and effect as if executed by Manufacturer.

10.5. Buyer is responsible for maintaining the intellectual property rights of Buyer's Products.

10.6. Manufacturer will not develop products using designs that could be confused with the designs of Buyer's Products.

10.7. Manufacturer will notify Buyer as soon as possible of products of which it becomes aware that potentially infringe Buyer's intellectual property. Manufacturer and Buyer will work jointly to resolve such potential infringement, sharing costs as Buyer and Manufacturer otherwise agree in writing.

11. Purchase and Delivery of Products

11.1. Buyer will issue Purchase Orders ("POs") or other written documents clearly containing details for ordering goods, and such orders will be deemed accepted by Manufacturer unless Manufacturer notifies Buyer in writing of Manufacturer's refusal of the order within 2 working days of Buyer sending the order.

11.2. POs are subject to the provisions of this Agreement. Whenever there is a provision in a PO that conflicts with the provisions of this Agreement, the PO provision will be treated as null and void, unless otherwise agreed to in writing by Buyer and Manufacturer. Any other written correspondence between Buyer and Manufacturer specifying any term conflicting with the provisions of this Agreement is void and unenforceable, unless otherwise agreed to in writing by Buyer and Manufacturer.

11.3. Buyer's POs must include the following information: a) the Product item or serial number, b) the quantity ordered, c) the required delivery date, d) shipping instructions (destination, carton markings), and e) price.

11.4. All correspondence related to POs will be made in the normal course of business by e-mail or facsimile. E-mails relating to POs will be sent to Manufacturer at the following addresses: _____, and facsimiles will be sent to: _____. E-mails relating to POs will be sent to Buyer at the following addresses:

_____, and facsimiles will be sent to: _____. The

Parties will notify each other in writing of any changes related to PO correspondence, and the Parties may agree in writing to other methods of communication.

11.5. Upon the mutual written agreement of Buyer and Manufacturer, POs or other written Agreements may be discharged or amended.

11.6. Manufacturer agrees to comply with the terms of the POs in delivering the Products on time to the designated destination. If Manufacturer is unable to deliver Products on time, Manufacturer must notify Buyer as soon as possible, but no less than 30 days in advance of the required delivery date. Buyer will have the option to cancel the PO or accept late delivery. Manufacturer will pay any increased shipping and other costs (including Buyer's customer's charge back or other late delivery fees or penalties) associated with the late delivery.

11.7. Buyer may deliver Products early only with the written approval of Buyer.

11.8. Manufacturer will manufacture and deliver Products according to the PO required delivery dates; if Buyer refuses to accept delivery of Products on the required delivery date without any other written explanation, Buyer will pay a penalty of 1% per day of the value of the Products until delivery of Products is accepted or until Buyer identifies why the Products are otherwise unacceptable.

11.9. If Manufacturer intends to cease production of any of Manufacturer's Products that Buyer has previously purchased or that Manufacturer has offered for sale to Buyer, Manufacturer must give Buyer 6 month's prior written notice. If such notice is not given, Manufacturer may not refuse Buyer's PO or otherwise cease production of such Manufacturer's Products.

12. Price and Payment Terms

12.1. The price and currency of Products will be according to the price and currency stated in Buyer's PO. Accepted PO prices will be fixed. In the event of drastic market changes,

Manufacturer or Buyer may request a price change, which will be negotiated in good faith between Manufacturer and Buyer. Any price change must be approved by Manufacturer and Buyer in writing.

12.2. Manufacturer may require Buyer to provide a payment guarantee for Products purchased under this Agreement if Buyer has twice failed to make timely payment for delivered Products.

12.3. Payment will be made by terms as agreed in writing between Buyer and Manufacturer.

13. Agreement to Cooperate

Buyer and Manufacturer agree to cooperate in the sale and marketing of Buyer's Products and Manufacturer's Products in territories world-wide to the extent allowed by license and exclusivity agreements to which Buyer or Manufacturer may be a party. The concrete terms for cooperation will be agreed upon between Buyer and Manufacturer by separate agreement.

14. Confidential Information

14.1. As used in this Agreement, the term "Confidential Information" means any information in any form emanating, directly or indirectly, from a disclosing Party or any of its employees or agents, and any of its divisions and subsidiaries, including, but not limited to, trade secrets, product design, patents, patents pending or contemplated and interpretation of patents, customer lists, products lines, methods of business operation, technical information, financial information, specifications, know-how, product source information, process information and methods of manufacture, distribution and sale relating to the development and marketing of the disclosing Party's product and general business operations. "Confidential Information" does not include any information which (a) at the time of disclosure is generally known by the public or thereafter becomes public knowledge through no act or omission of or on behalf of either Party; (b) a Party lawfully receives from a third party without restriction on disclosure and without breach of a non-disclosure obligation. (c) is known to the receiving Party as can be documented prior to disclosure, or (d) is required to be disclosed by law or court order.

14.2. All Confidential Information obtained by the receiving Party from the disclosing Party relating to Products will be kept in confidence. Any Confidential Information obtained by the receiving Party from the disclosing Party will remain the property of the disclosing Party.

14.3. Manufacturer and Buyer will limit the disclosure of Confidential Information in its organization to those of its officers, employees and agents to whom such disclosure is necessary to fulfill its obligations under this Agreement. Manufacturer and Buyer will ensure that such officers, employees and agents acknowledge that the information is confidential before it is imparted to them and ensure that such officers, employees and agents are bound by obligations restricting use and disclosure of the Confidential Information.

14.4. Upon completion of the purpose for which the Confidential Information has been disclosed, or upon termination of this Agreement, the receiving Party shall return to the disclosing Party or destroy and certify in writing the destruction of any and all materials which contain any Confidential Information including, but not limited to, all documents, plans, samples, drawings, specifications, notebooks, computer software and any other materials whatsoever and all copies made of them, including materials that the receiving Party may have prepared relying on Confidential Information.

14.5. Sections of this Agreement relating to Confidential Information do not expire upon termination of this Agreement.

15. Force Majeure

A Party shall be excused from delays or failure to perform its duties to the extent such delays or failures result from acts of nature, riots, war, acts of public enemies, fires, epidemics, or any other causes beyond its reasonable control. The Parties will promptly inform and consult with each other as to any of the above causes that in their judgment may or could be the cause of a substantial delay in the performance of this Agreement. If a Force Majeure event continues for a period exceeding 3 months either Party will have the right to cease performance and terminate the Agreement and neither Party may claim damages.

16. Discharge, Termination

16.1. Either Party may terminate this Agreement by giving the other Party 12 month's notice. Despite termination of this Agreement, other agreements between the parties, such as POs, do not terminate and remain valid during the periods of the other agreements.

16.2. Upon the occurrence of any of the following events, either Party may terminate this Agreement with 30 days prior written notice: a) serious breach of any term of this Agreement or other agreements; b) pursuant to court order or rule of law Buyer or Manufacturer company registration is forfeited, the business certificate is cancelled, or the company is compelled to cease its business; c) voluntary or compulsory liquidation; d) commencement of any insolvency proceedings or restructuring process; e) a Party makes a resolution to dissolve or merge with another company; f) without any valid reason, Manufacturer fails to supply Products or there is a delay in the delivery of Products exceeding 30 days; g) there is a breach of any confidentiality provision of this Agreement resulting in disclosure of Confidential Information; or h) there is an unauthorized assignment of this Agreement.

16.3. Termination of this Agreement will not prevent Manufacturer from delivering or Buyer from receiving Products ordered before the termination.

16.4. Payment for Product will not be withheld as a result of termination of this Agreement unless the termination was the result of breach of this Agreement or other agreement between the Parties.

17. Effective Period of this Agreement

The effective date of this Agreement is retroactive to the beginning of the relationship between Buyer and Manufacturer. Unless terminated early, this Agreement will terminate on April 1, 2007. This Agreement will automatically renew for periods of 24 months each (i.e., renewing on April 1, 2009, 2011, 2013, etc.) unless a Party expresses in writing 2 months prior to the termination date that the Agreement will terminate.

18. General

18.1. Failure of a Party to utilize any provision of this Agreement does not signify waiver of the provision.

18.2. All notices, requests and communications relating to this Agreement will be made in English and will be sent by e-mail, fax or express post as follows:

If to Buyer:

If to Manufacturer:

Buyer and Manufacturer have the right to change notice information by sending written notice to the other Party.

18.3. This Agreement replaces and supersedes any prior agreement between the Parties or their representative. Any alteration or amendment to this Agreement is valid only if it is agreed to in writing between the Parties.

18.4. This Agreement may not be assigned to a third party without the written consent of the Parties. Subsidiaries of the Parties are not third parties. A subsidiary is any company or organization of which the Buyer or Manufacturer owns at least 50% of the voting rights.

18.5. This Agreement will be governed and construed by the Laws of PRC.

18.6. Disputes resulting from this Agreement will be resolved through negotiation. If negotiation fails, the dispute will be submitted to the China International Economic and Trade Arbitration Commission (CIETAC), Shenzhen Commission for arbitration, and the arbitral award will be final. Arbitration will be heard by 3 arbitrators selected pursuant to CIETAC rules unless the Parties agree in writing otherwise. The language of the arbitration will be English unless the Parties agree in writing otherwise.

18.7. If there is conflict between this Agreement and POs or other agreements, this Agreement will prevail.

18.8. This Agreement will be valid and come into force after it is signed by authorized representatives of the Parties.

18.9. This Agreement is written in English and Chinese. Each Party will hold one copy of each language version. If there is any discrepancy between the English and Chinese

versions of this agreement, the English language version will control.

Agreed to and accepted:

MANUFACTURER	BUYER
X _____	X _____
Name _____	Name _____
Title _____	Title _____
Date _____	Date _____

PRIVATE LABEL SUPPLY AGREEMENT

THIS AGREEMENT, made to be effective this ____ day of _____, 2005 (the "Effective Date") by and between the XYZ Inc., a Delaware corporation having a principal place of business at 555 W. Main Street, South Hampton, Delaware 12345 (hereinafter "XYZ"), and Bob Ltd., a Hong Kong corporation, having a principal place of business at 123 Union Industrial Centre, 234 Ai Pei Wan Street, Fo Tan, Hong Kong (hereinafter "Bob").

WITNESSETH:

WHEREAS, XYZ manufactures and sells certain canine identification materials, more commonly referred to as Dog Tags II (the "Product") to Bob;

WHEREAS, Bob desires to have XYZ sell the Product to it;

NOW, THEREFORE, in consideration of the mutual agreements set forth herein, XYZ and Bob hereby understand and agree as follows:

1. DEFINITIONS

(a) As used herein, the word "Affiliate" shall mean all corporations or business entities which, directly or indirectly, are controlled by, control, or are under common control with Bob or XYZ. For this purpose, the meaning of the word "control" shall include, but not be limited to, directly or indirectly, ownership of fifty (50%) per cent or more of the voting shares or interest of such corporation or business entity.

(b) As used herein, the word "Territory" shall mean all countries other than the United States and Canada.

(c) As used herein, the words "Third Party" shall mean any person or entity other than Bob or XYZ.

2. EXCLUSIVE SUPPLY ARRANGEMENT

Bob agrees to purchase all of its requirements of the Product exclusively from XYZ.

3. DISTRIBUTION

(a) XYZ agrees to supply the Product to Bob for Bob's resale and distribution thereof under Bob's label, packaging, and tradenames in the Territory.

(b) Bob agrees not to sell or distribute the Product except under Bob's own label and trade names, and specifically agrees not to sell the Product to any Third Parties under the DEF trade name or any other trade name of XYZ or any of its Affiliates. Bob further agrees to not refer to, advertise, promote, or otherwise mention the Product as being manufactured or supplied by, or even similar to any product manufactured or supplied by, XYZ or any of its Affiliates, except where expressly required by law.

(c) Unless otherwise agreed in writing by XYZ, Bob shall not sell, transfer, or otherwise make the Products available for delivery outside the Territory, nor shall Bob sell, transfer, or otherwise make the Products available to any person or Third Party who is reasonably considered likely to sell, transfer or otherwise make the Products available outside the Territory.

4. PRICE AND PAYMENT

(a) The initial price of the Products that XYZ manufactures for Bob shall be as set forth in Exhibit "A", and shall be valid through December 31, 2006. Thereafter, XYZ may increase the price by no less than the published U.S. inflation rate each year, to be effective on January 1 of that year, upon ninety (90) days written notice to Bob.

(b) Bob agrees to order the Products in the minimum order quantity of one (1) kilo per Product type and shade ordered in each order.

(c) Bob agrees that invoices for Products shipped by XYZ shall be paid within thirty (30) days from the date of the invoice.

5. TERM AND RENEWAL

The initial term of this Agreement shall extend for a period of two (2) years from the Effective Date, and shall be automatically renewed for additional one (1) year periods unless terminated by either party providing the other with written notice of its intent to terminate the Agreement at least ninety (90) days prior to the end of the term.

6. GOVERNMENT STATUTES AND REGULATIONS

(a) The parties agree to notify each other promptly of all inquiries and formal or informal hearings, conferences and proceedings of any governmental agency relating to the Products; and

(b) Both parties agree to transmit to the other copies of all correspondence and communications between itself and any governmental agency relative to the Products. Such transmittal of any such correspondence or communications received after the date of this Agreement shall be made immediately following the receipt (or sending) thereof by the party receiving or sending it.

7. LIMITED WARRANTY

XYZ WARRANTS THAT THE PRODUCTS SHALL BE MANUFACTURED ACCORDING TO XYZ'S APPROVED PRODUCT MANUFACTURING PROTOCOLS (ALSO INCORPORATING APPLICABLE FDA, CE, QSR, ISO AND OTHER APPLICABLE NATIONAL AND INTERNATIONAL STANDARDS AND MANUFACTURING REGULATIONS). THIS WARRANTY IS THE SOLE AND EXCLUSIVE WARRANTY GIVEN BY XYZ AND IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY, OR FITNESS FOR A PARTICULAR USE.

8. INSURANCE AND INDEMNIFICATION

(a) Bob agrees to hold harmless and to indemnify XYZ against all claims, actions, suits, liabilities, judgments and awards arising out of Bob's sale or use of the Products, unless any such claims arise from XYZ's negligent or improper manufacture of the Products.

(b) Bob shall, at its own expense, furnish to XYZ upon XYZ's request a certificate of insurance evidencing that Bob has purchased insurance coverage effective as of the date of this Agreement and each year thereafter to fulfill the hold harmless and indemnification condition of subparagraph (a) above. Minimum limits (subject to excesses) of such insurance shall be:

- (i) \$1,000,000 combined single limit per occurrence for personal injury and property damage liability;
- (ii) \$2,000,000 annual aggregate for premises and operations liability;
- (iii) \$2,000,000 annual aggregate for products and completed operations liability;
- (iv) \$5,000,000 overall aggregate limit; and
- (v) \$10,000,000 excess liability coverage.

(c) Bob agrees to maintain such insurance coverage under subparagraph (b) above for a period of 5 years following the last date of sale of the Products.

9. IMMUNITY

Bob agrees to hold XYZ immune from suit under any and all patents relating to the Products, and agrees to defend any suit for infringement that any third party brings against XYZ and to hold XYZ harmless for damages related to any such suit. Bob further agrees to extend to XYZ the benefit of any and all immunities from suit now or hereafter extended to Bob in any agreement relating to the Products.

10. ORDER, SHIPMENT AND DELIVERY

(a) Upon receiving Bob's orders, XYZ will confirm their receipt promptly and notify Bob of XYZ's ability to comply with the requested shipping schedule. Bob agrees that XYZ will not be subject to penalty unless shipment is delayed for any orders for more than ninety (90) days beyond the order date. In the event shipment of any order is delayed for more than ninety (90) days, XYZ will be considered to be in non-material default of the terms of the Agreement, and, as its sole remedy, Bob may seek to fill such order from other sources without further delay, notwithstanding section 2 above.

(b) XYZ will ship the Products to Bob, F.O.B. XYZ, to the location that Bob designates.

11. FORCE MAJEURE

XYZ and Bob shall not be liable for damages for any delay or failure in the performance of this Agreement resulting from any cause beyond its reasonable control regardless of the nature thereof, including labor strike, shortage of materials, unavailability of supplies, fire, acts of governmental regulatory agencies, natural disasters, acts of war, acts of terror, or acts of God. In the event of such a delay or failure of performance, Bob may obtain the Products from other sources without further delay.

12. DEFAULT AND WAIVER

(a) Any failure of either party hereto to comply with any of its obligations, agreements or conditions as set forth herein may be waived by the other party, but only expressly and in writing; any such waiver shall not require or by implication constitute a waiver of any later or similar obligations, agreement or condition.

(b) Upon the failure of either party to fulfill any material duty, obligation, or responsibility under this Agreement, the party aggrieved by such material default shall give written notice to the other party of such default; if after fifteen (15) days from the giving of such notice the defaulting party has failed to remedy such default, this Agreement may be terminated immediately by written notice to the defaulting party and such termination shall be without prejudice to any other rights or claims either party may have against the other party. However, the provisions of this subparagraph are subject to the other specific provisions of this Agreement regarding termination, breach, waiver, nonrenewal, and election of remedies.

(c) Upon the failure of either party to fulfill any non-material duty, obligation, or responsibility under this Agreement, other than as provided in paragraph 10(a), the party aggrieved by such non-material default shall give written notice to the other party of such default; if after forty-five (45) days from the giving of such notice the defaulting party has failed to remedy such default, this Agreement may be terminated immediately by written notice to the defaulting party and such termination shall be without prejudice to any other rights or claims either party may have against the other party. However, the provisions of this subparagraph are subject to the other specific provisions of this Agreement regarding termination, breach, waiver, nonrenewal, and election of remedies.

13. TRADEMARKS, PACKAGING, AND ADVERTISING

(a) Bob shall have the right to advertise and sell the Products under the trademarks, marks, labels, and trade names and in the packaging of its own choosing, other than those belonging to XYZ, during the term of this Agreement.

(b) All trademarks and trade names that Bob uses to advertise and sell the Products shall remain the property of the parties having then current ownership of such trademarks and trade names.

14. INTELLECTUAL PROPERTY RIGHTS

Subject to the terms of paragraph 13, above, XYZ shall own and retain its rights, title, and interest in and to all of its intellectual property rights related to the Products, including, but not limited to, all patents, copyrights, trademarks, trade names, trade secrets, know how.

15. ASSIGNMENT AND SUCCESSION

(a) This Agreement shall not be assignable except by the mutual written consent of the parties hereto except that each party may, on its own initiative, assign to any Affiliate of the assigning party the assigning party's entire right, title, and interest in the business which is the subject of this Agreement.

(b) This Agreement shall inure to the benefit of and be binding upon the successors, assigns, heirs and personal representatives of the parties hereto.

16. NOTICES

All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered by confirmed telefax or sent via overnight services, postage prepaid, to the addresses set forth below or to such other address as may be specifically designated in this Agreement or in writing by either party:

If to XYZ, to:	XYZ Inc. 555 W. Main Street South Hampton, DE 12345 Attention: General Manager Facsimile No.: (515) 555-4444
With a copy to:	XYZ Inc.

Big River Center
333 S. Orange Street
South Hampton, DE 12346
Attention: Secretary
Facsimile No.: (515) 555-4443

If to Bob to: Bob Ltd.
123 Union Industrial Centre
23 Ai Pei Wan Street
Fo Tan
Hong Kong
Attention: John Bob or Susan Bob
Facsimile No. 852 2345 6789

17. DISCLOSURE AND CONFIDENTIALITY

(a) The term "Confidential Information" shall mean any information disclosed by one party to the other pursuant to this Agreement which is identified as confidential by the disclosing party or which the recipient knows or has reason to know is deemed confidential or proprietary by the disclosing party, as well as all information regarding this transaction and this Agreement and its contents. Information regarding the Products and the terms of this Agreement shall also be considered Confidential Information.

(b) Each party hereto agrees to treat as confidential all Confidential Information of the other party, shall not use such Confidential Information except as set forth herein, and shall use reasonable efforts not to disclose such Confidential Information to any third party. Without limiting the foregoing, each of the parties shall use at least the same degree of care that it uses to prevent the disclosure of its own confidential information of like importance to prevent the disclosure of Confidential Information. Each party shall promptly notify the other party of any actual or suspected misuse or unauthorized disclosure of Confidential Information.

(c) Notwithstanding the above, neither party shall have liability to the other with regard to any Confidential information of the other which the receiving party can demonstrate:

- (i) was in the public domain at the time of such disclosure or has entered the public domain through no fault of the receiving party;
- (ii) was known to the receiving party at the time of the disclosure;
- (iii) is disclosed with the prior written approval of the disclosing party;

- (iv) was independently developed by the receiving party without use of the Confidential Information;
- (v) became known to the receiving party, without restriction, from a source other than the disclosing party without breach of this Agreement or any other agreement by the receiving party, and otherwise not knowingly in violation of the disclosing party's rights;
- (vi) is disclosed generally to third parties by the disclosing party without restrictions similar to those contained in this Agreement; or
- (vii) is disclosed pursuant to the order or requirement of a court, administrative agency, or other governmental body; provided, however, that the receiving party shall provide prompt written notice thereof to the disclosing party to enable the disclosing party to seek a protective order or otherwise prevent or restrict such disclosure.

18. TERMINATION

(a) This Agreement shall be subject to termination upon immediate effect by written notice upon the occurrence of any of the following events at the option of the party not subject to any of the following events:

- (i) The insolvency of either of the parties to this Agreement; or
- (ii) The appointment of a trustee or receiver for either party to this Agreement; or
- (iii) The winding up or liquidation of either party to this Agreement except under circumstances where the action is taken in connection with a restructuring of the Affiliates of either party under such circumstances that the effective control of net worth of the party taking such action is not being altered.

(b) This Agreement may also be terminated in the event of Bob's default or breach with respect to the terms of paragraphs 3(b) or 3(c), and in the event of a default or breach by either party with respect to the terms of Paragraph 12 of this Agreement and by either party with respect to the terms of Paragraph 5 of this Agreement.

(c) In the event of termination, the parties agree that the terms of Paragraphs 3(b), 3(c), 6, 7, 8, 9, 10(a), 11, 12, 13(b), 14, 17, 18(c), 19, and 20 of this Agreement shall survive termination and be binding upon the parties.

19. LIMITATION OF LIABILITY

NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES (INCLUDING LOST PROFITS) SUSTAINED OR INCURRED IN CONNECTION WITH THIS AGREEMENT REGARDLESS OF THE FORM OF ACTION AND WHETHER SUCH DAMAGES ARE FORESEEABLE. HOWEVER, SAID LIMITATION OF LIABILITY SHALL NOT APPLY (i) IN THE EVENT OF A BREACH OF CONFIDENTIALITY UNDER PARAGRAPH 17, ABOVE, OR (ii) IN THE EVENT OF THE PARTY'S GROSS NEGLIGENCE OR WILLFUL OR DELIBERATE MISCONDUCT.

20. GENERAL PROVISIONS

(a) This Agreement shall be made and entered into pursuant to the laws of the State of Delaware, U.S.A., and shall be interpreted and construed in accordance therewith. The parties agree that any claim, controversy, or dispute arising out of or in relation to this Agreement, or the interpretation, breach, or termination thereof, shall be finally settled by arbitration in Honolulu, Hawaii, U.S.A., before a single arbitrator, pursuant to the rules of the American Arbitration Association governing commercial disputes. Either party may record the final decision of the arbitrator in any court having jurisdiction over either of the parties. Notwithstanding this provision, either party shall be entitled to seek equitable or preliminary injunctive relief in the appropriate court in the State of Delaware.

(b) This Agreement contains the entire agreement between the parties. Neither party shall be bound by any representations, agreements, statements, or warranties made by its agents or employees or any other person, except as expressly set forth herein unless such representations, agreements, statements, or warranties shall be in writing and signed by the party to be bound.

(c) Neither this Agreement nor any of the terms hereof may be changed, waived, discharged or terminated except by an instrument in writing signed by the party against whom the enforcement of the change, waiver, discharge or termination is sought.

(d) The invalidity or unenforceability for any reason of part of this Agreement shall not prejudice or affect the validity or enforceability of the remainder. If any provision of this Agreement shall be or become unlawful, such provision shall be renegotiated between the parties in such a way as to render the same lawful and to achieve to the furthest extent possible the economic purpose and other purposes of the unlawful provision.

(e) The parties hereto may use standard business forms in performing the functions outlined by this Agreement. However, this Agreement governs in the event of any ambiguity or contradiction between the language of such forms and the language herein contained. All section captions or titles are inserted in this Agreement for ready reference only and are without structural significance or effect.

(f) All section captions or titles are inserted in this Agreement for ready reference only and are without structural significance or effect.

(g) Nothing in this Agreement shall be construed as:

- (i) a specified or implied grant by either party of any right, license or immunity other than as specifically granted herein;
- (ii) a limitation upon the right of either party to determine independently its selling price for any Product described herein;
- (iii) a limitation or restriction on the sale or distribution of any Product by either party; or
- (iv) creating an agency relationship between the parties beyond the provisions hereof.

(h) Nothing in this Agreement shall be construed to make either party the legal representative or agent of the other party, nor shall either party have the right or authority to assume, create, or incur any liability or any obligation of any kind, either express or implied, in the name of or on behalf of the other party.

(i) This Agreement may be executed in several counterparts, including telefaxed counterparts, each of which shall be deemed to be the original, but all of which constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its respective duly authorized officers as of the day and year first above written.

EXHIBIT A

ATTEST:

XYZ INC.

By: _____

Name: _____

Title: _____

ATTEST:

BOB LTD.

By: _____

Name: _____

Title: _____

The prices for the Products, quoted in U.S. dollars, shall be as follows:

Dog Tags II body tags	\$170.00 per dozen
Dog Tags II tail tags	\$195.00 per dozen
Dog Tags II modifier tags	\$170.00 per dozen
Dog Tags II incisal tags	\$170.00 per dozen
Dog Tags II eliminator tags	\$170.00 per dozen