

NIPPON TECHNOLOGY AMERICA, INC. PATENT ADMINISTRATION AND AWARD PROCEDURES

1.0 PURPOSE

- 1.1. The purpose of these procedures is to establish methods to promote, develop, submit, and protect NIPPON Technology America, Inc.'s ("RTA" or the "Company") inventions that are patentable through the U.S. Patent and Trademark Office (the "USPTO").

2.0 SCOPE

- 2.1. These procedures describe the administration of patents and patent awards at RTA. All regular full-time and regular part-time employees are eligible for the benefits described in this procedure.
- 2.2. The intellectual property ownership rights of the Company and each RTA employee are governed by the terms set forth in the Intellectual Property section of the RTA Employment Agreement.

3.0 GENERAL PATENT INFORMATION

3.1. Patent Definition

Patents are granted by the USPTO. Patents give their owners the right to exclude others for a predetermined period that starts with the issue date and expires 20 years after the date of filing the patent application. A patent must meet three standards:

1. Useful: The invention must perform some function or do something.
2. Novel: The invention must be unique.
3. Unobvious: The invention cannot be so obvious that its discovery would be apparent to a person with ordinary skill in the applicable field of study.

4.0 PATENT REVIEW PROCEDURES - Refer to Figure 1 for Patent Review Flow.

4.1. Technical Merit Evaluation

- 4.1.1. The first step in the patent review process is a determination of Technical Merit. In this step the Patent Review Committee (the "PRC") members will do an initial review of the invention and documentation as follows:

- 4.1.1.1 The inventor (an RTA employees) must complete the Technical Merit Disclosure form (Attachment 1). This form briefly outlines the invention.
- 4.1.1.2 The inventor must complete the Prior Art Search form (Attachment 2). This form outlines the patent searches performed to identify potential prior art related to the invention.

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- 4.1.1.3 A patent search can be done by using the USPTO database or an approved patent search firm, such as NERAC or the local patent attorneys (a preliminary patent search). Any search firms with the exception of the USPTO are required to have a signed Non-Disclosure Form with RTA or attorney-client privilege with RTA to protect the Company's confidential information.
- 4.1.1.4 The completed forms are to be submitted to the PRC Chairman or his/her designate. The PRC may consider a submission before all required signatures are obtained on the above-referenced forms, but the signatures must be obtained before approval of the disclosure by the committee.
- 4.1.1.5 If the PRC Chairman determines that a disclosure is suitable for committee review, the inventor will be asked to attend a PRC meeting to present the disclosure and answer any related questions. The PRC Chairman may schedule regular (e.g., monthly) meetings or it may call a special meeting to consider a disclosure.
- 4.1.2. After an inventor's presentation, the PRC will vote on the disclosure. A simple majority of committee members at the meeting is required for the disclosure to be approved. If the PRC approves the disclosure, it will go on to the next step.
- 4.1.3. If the disclosure is not approved, the PRC may request that additional information be supplied or a more complete patent search be completed. If the PRC determines not to pursue the invention further, the PRC will inform the inventor(s).
- 4.1.4. The PRC Chairman will notify an inventor of the results of the PRC's vote on the inventor's disclosure using a suitable means such as e-mail.

4.2. Documentation, Verification and Preparation

- 4.2.1. The Documentation, Verification, and Preparation step is the process of putting together the documentation that will go to the patent attorney to begin the filing process. After a disclosure has been approved by the PRC, the inventor must prepare the following information:
 - 1) Abstract : A quick review of the invention.
 - 2) Diagrams: Any diagrams that need to be included with the patent. These will typically make the foundation of the patent application in so far as the explanation of these diagrams will be the patent.
 - 3) Background of the Invention: Describes the problem solved by the invention, as well as past solutions.
 - 4) Brief Description of Drawings: A list of the drawings.

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- 5) Description of the Preferred Embodiments: A detailed description of the invention and reasons why it is an improvement over any past solution. This typically is in the form of a description of the diagrams.
- 6) Claims: Describes the invention in the broadest terms reasonably possible. For example, if the invention was an IC, but the concept would also work with discrete ICs, the claims should be broad enough to include discrete IC's.

4.2.2. Once the documentation is complete, the inventor should contact the PRC Chairman to arrange a review. If the PRC Chairman, in consultation with legal counsel, approves the documentation, it will be forwarded to a patent attorney, and the first award for completion of Technical Merit and Documentation shall be granted.

4.3. Application Preparation Step

4.3.1. During the application preparation, the patent attorney will prepare an official application based on the information provided by the inventor. This will typically be an iterative process between the inventor and the attorney.

4.3.2. The PRC Chairman will monitor the status of the application and will discuss issues with the inventor and attorney when needed. There may be deadlines that the inventor will have to meet in order to avoid delay fees and possible abandonment of the application.

4.3.3. Once this process is complete, the patent application will be ready for submission to the USPTO. The patent attorney will prepare all filing materials and final approval for filing will be made by the PRC Chairman.

4.3.4. Upon submission of the patent application to the patent office, the second award (for patent filing) shall be granted.

4.4. Patent Office Review

4.4.1. Once the patent application has been submitted to the USPTO, it will be reviewed by a patent examiner. The inventor may have to answer questions and provide clarifications during the review (typically referred to as Office Actions). The patent attorney will send all correspondence to the PRC Chairman.

4.4.2. The PRC Chairman will review the examiner requests and discuss these with the inventor and patent attorney as needed. There may be deadlines that the inventor will have to meet in order to avoid delay fees and possible abandonment of the application.

4.5. Patent Issued

4.5.1. The original letters patent and notification will be sent to the PRC Chairman.

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4.5.2. The final patent award (for issuance) shall be granted.

5.0. PATENT AWARDS

5.1. RTA's patent awards are as listed below. The awards are offered to inventors that are currently employed by RTA at the time that the award is granted by RTA. Expatriates who are no longer employed by RTA but are employed by another NIPPON company at the time of the award is granted will be ineligible to receive an award.

5.2. Other recognition awards such as plaques, certificates, etc. may be given to inventors at the discretion of the PRC and with the approval of Management. The awards stated and provided under these procedures are the sole consideration to be granted to employee/inventors and are in lieu of any claim for compensation for inventions under state or federal laws of the United States or of any other nation, including Japan. The Company may, in its sole discretion, provide additional recognition under circumstances that the company deems to be extraordinary.

5.3. The PRC and RTA Management retain the discretion to amend at any time the monetary values and award terms/criteria related to the RTA patents and the specific amount granted to any inventor hereunder.

5.4. Technical Merit/Documentation Approved

PRC approves Technical Merit, and the documentation package is submitted to the attorneys to begin the application process. The PRC Chairman authorizes the patent attorney to begin drafting the application.

\$500 per inventor, maximum of \$1,500 per disclosure

5.5. Application Filed

The application is filed with the USPTO and RTA has received written confirmation from the patent attorney signifying this.

\$750 per inventor, maximum of \$2,250 per application

5.6. Patent Issued

The patent is issued by the USPTO and RTA has received written confirmation and the official letters patent from the patent attorney signifying this.

\$1000 per inventor, maximum of \$3,000 per patent

6.0 Foreign Patent Application (outside of US) – To be determined in consultation with IPG RT.

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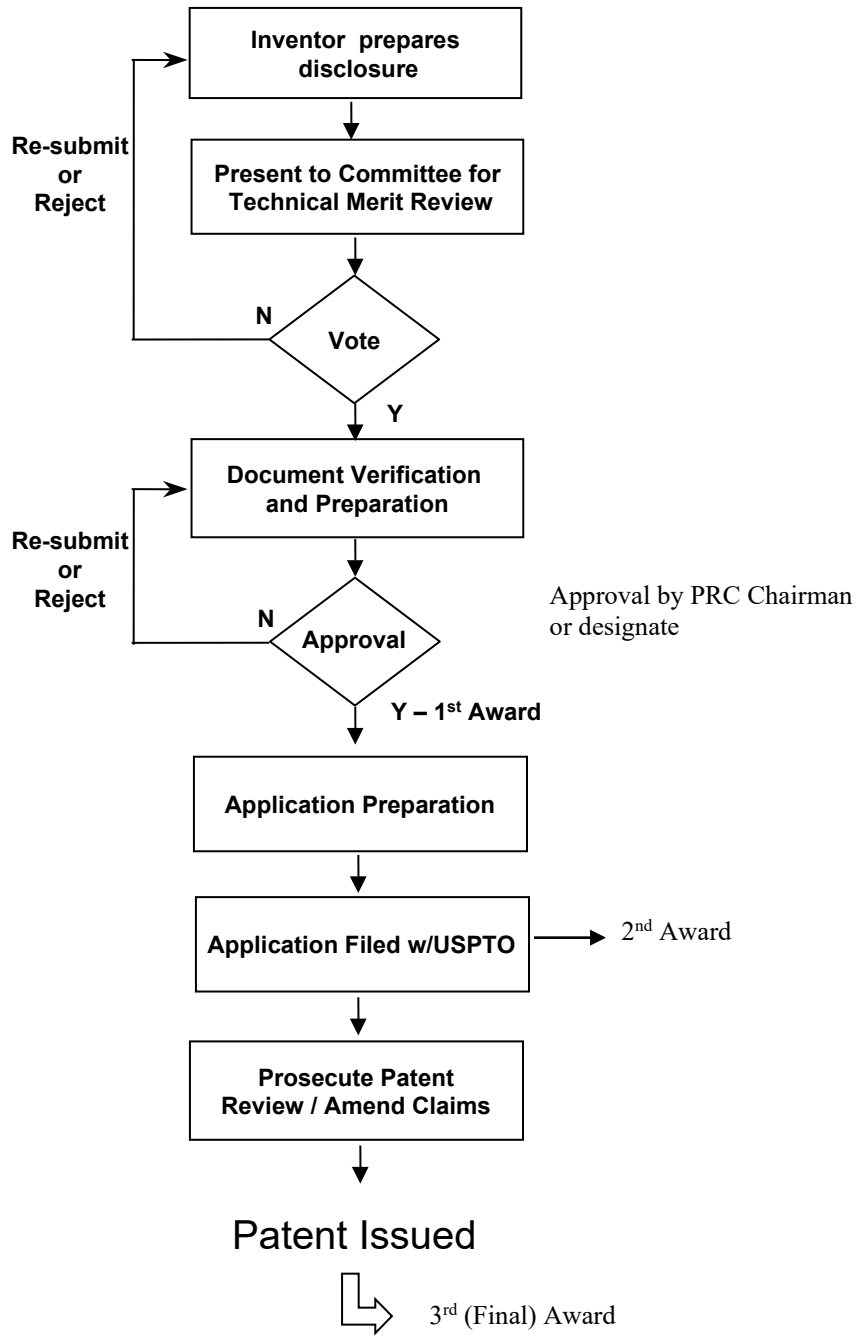
7.0 LAB NOTEBOOKS AND DOCUMENTATION

Lab notebooks are notations or written procedures documenting those steps taken to solve or investigate an idea. These notebooks are usually kept by engineers or technicians to record daily activities. RTA strongly recommends employees to maintain a lab notebook. Lab notebooks can serve as legal proof in patent proceedings as evidence of 'first to conceive' the invention. The lab notebook should be reviewed, signed, and dated periodically by a third party, such as the inventor's manager. Ideas may be submitted for patent consideration without a lab notebook and are not necessary to receive a patent.

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Figure 1 - Patent Procedure Flow



TECHNICAL MERIT DISCLOSURE FORM

Date Received: _____
 Disclosure Docket #: _____
 Department: _____

1). Title of Invention:

Title goes here.

2). Inventor(s):

Inventor	Telephone	Supervisor
Name 1	800.555.1212	Supervisor Name
Name 2	800.555.1212	

3). The Problem:

Change this text

4). Description of the Solution:

Change this text

a) How is the invention novel and unique?

Change this text

b) How is the invention not obvious?

Change this text

c) Is the Patent Search thorough and complete? (Form completed?)

Change this text

5). Business Considerations**a) How does the invention apply to RTA business, i.e., what are its practical aspects?**

Change this text

b) Has the invention been described (e.g., in papers, presentations, specifications) to persons other than RTA / RTC employees? __Yes __NoIf **YES**, then:

- i) When was the invention described? _____
 ii) Who was the invention described to? _____
 iii) Was there a non-disclosure agreement when described? __Yes __No

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c) **Has the invention been offered for sale (either directly or with a RTA / RTC product that would include the invention) to potential customers?** __Yes __No

If **YES**, then:

- i) When did the offer for sale occur? _____
- ii) Was the invention complete when the offer was made? __Yes __No
(e.g., was or could the invention be built, simulated, known to work, etc.)
- iii) Did the offer occur/originate in the U.S.? __Yes __No
(where: _____)

6). Inventor(s) Signature:

- (1) _____
- (2) _____
- (3) _____
First Name/M.I./Last Name Home Address Date

7). Witnesses:

Sign if read and understood. One must be the inventor's manager.

- (1) _____
- (2) _____
First Name/M.I./Last Name Home Address Date

PRIOR ART SEARCH

Disclosure Date: _____
 Disclosure Docket #: _____

After performing the search for prior art, inventor does not feel prior art was discovered.

Inventor's Signature: _____
 Date: _____

Inventor's Signature: _____
 Date: _____

Inventor's Signature: _____
 Date: _____

After reviewing with the inventor, the manager does not feel prior art was discovered.

Manager's Signature: _____
 Date: _____

Was your search constrained by YEARS? _____ If so, to what years? _____

KEYWORD SEARCH / PRIOR ART SEARCH SUMMARY #1⁽¹⁾:

Patents found with key words: _____

Abstracts reviewed: _____

Full patents reviewed: _____

KEYWORD SEARCH / PRIOR ART SEARCH SUMMARY #2⁽¹⁾:

Patents found with key words: _____

Abstracts reviewed: _____

Full patents reviewed: _____

KEYWORD SEARCH / PRIOR ART SEARCH SUMMARY #3⁽¹⁾:

Patents found with key words: _____

Abstracts reviewed: _____

Full patents reviewed: _____

KEYWORD SEARCH / PRIOR ART SEARCH SUMMARY #4⁽¹⁾:

Patents found with key words: _____

Abstracts reviewed: _____

Full patents reviewed: _____

Note 1 : Use format based on type of search used. Possible examples could be:
 pencil IN TITLE and lead IN ALL_FIELDS and color IN ABSTRACT
 pencil AND lead AND color

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Please list all abstracts reviewed:

Patent #AuthorDate

Please briefly summarize the patents found by the prior art search which are most closely related to your disclosure. Also, please comment how your disclosure differs from these patents.

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Rev.	Summary of Changes	Author and Date
A	Original Issue Replaces Mitsubishi Ver. E procedure	D.Zaterka 4/3/03
B	Changes to patent committee section responsibilities, format changes, elimination of some items from patent definition section. Replaced references to DEC-E with NIPPON or RTA.	D.Zaterka 7/23/03
C	Committee Chairman & Legal modified Ver. G Final Ver 1.0	11/17/03
D	Committee Chairman modified ver2.0	02/25/04

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