

AGREEMENT
ON
HANDLING OF INDUSTRIAL PROPERTY RIGHTS

THIS AGREEMENT made and entered into this 1 day of January, 2007 by and between Nippon Technology Corp. (hereinafter “Nippon”) and Nippon Design France S.A.S (hereinafter the “Subsidiary”) with regard to applications for patent, utility model and design patent concerning inventions made by employees of the Subsidiary and handling of patents, utility models and design patents issuing thereon as well as administration and management of such industrial property rights.

WITNESSETH:

In consideration of the promises and covenants set forth below and of other valuable considerations, the parties hereby agree as follows:

ARTICLE 1 – DEFINITIONS

- 1.1 The term “Invention” shall mean any idea, invention, process, apparatus and/or design of a useful article made, discovered, developed or conceived as to which Nippon and/or the Subsidiary shall obtain or otherwise be entitled to receive from Inventor employees, rights to file a Patent Application and/or proprietary rights to the Patent issuing thereon.
- 1.2 The term “Inventor” shall mean any person who have made, discovered, developed or conceived any idea, invention, process, apparatus and/or design of a useful article.
- 1.3 The term “Patent Application” shall mean any application for patent, utility model and/or design patent.
- 1.4 The term “Patent” shall mean the grant of a property right to the inventor, who is/are employee(s) of Subsidiary, issued by patent granting authority of any country (e.g. the National Institute of Industrial Property (INPI)).
- 1.5 The term “Technical Assistance” shall mean transfer of any technical information, technical guidance or technical training.
- 1.6 The term “Subcontract of Work” shall mean any work such as research and development, designing, manufacture, engineering performed by a party as a subcontractor for another party.
- 1.7 The term “Home Country” shall mean the country in which the principal office of the Subsidiary is located.
- 1.8 The term “Other Countries” shall mean any countries other than the Home Country.

ARTICLE 2 – PARTY TO OWN PATENT

- 2.1 Any Invention made or developed solely by an employee of the Subsidiary and not jointly with any employee of Nippon shall be handled as follows:
 - 2.1.1 Any Patent Application in the Home Country shall be filed solely by the Subsidiary, and any Patent issuing thereon shall be owned solely by the Subsidiary.
 - 2.1.2 Which of the parties will file any Patent Application in any of the Other Countries and which of parties will own any Patent issuing thereon shall be discussed in good faith and mutually agreed by Nippon and the Subsidiary prior to such Patent Application.
 - 2.1.3 Notwithstanding the preceding paragraphs 2.1.1 and 2.1.2, Nippon, after providing the Subsidiary with appropriate compensation, may solely file any Patent Application worldwide and any Patent issuing thereon can be owned solely by Nippon.
- 2.2 Notwithstanding the provisions of paragraphs 2.1, any Invention made or developed solely by any employee of the Subsidiary and not jointly with any employee of Nippon in connection with any business pertaining to any Technical Assistance provided by Nippon to the Subsidiary or any Subcontract of Work provided by the Subsidiary for Nippon shall be handled as follows:
 - 2.2.1 Any Patent Application in the Home Country shall be filed solely by Nippon, and any Patent issuing thereon shall be owned solely by Nippon.
 - 2.2.2 Any Patent Application in any of the Other Countries shall be filed solely by Nippon, and any Patent issuing thereon shall be owned solely by Nippon.
- 2.3 Any invention made or developed by any employee of the Subsidiary jointly with any employee of Nippon in connection with any business pertaining to any Technical Assistance provided from Nippon to the Subsidiary or any Subcontract of Work provided by the Subsidiary for Nippon shall be handled as follows:
 - 2.3.1 Any Patent Application in the Home Country shall be filed solely by Nippon, and any Patent issuing thereon shall be owned solely by Nippon.
 - 2.3.2 Any Patent Application in any of the Other Countries shall be filed solely by Nippon, and any Patent issuing thereon shall be owned solely by Nippon.
- 2.4 Any Invention made or developed solely by an employee of the Subsidiary and not jointly with any employee of Nippon shall be handled as follows:
 - 2.4.1 Any Patent Application in the Home Country shall be filed solely by the Subsidiary, and any Patent issuing thereon shall be owned solely by the Subsidiary.

2.4.2 Which of the parties will file any Patent Application in any of the Other Countries and which of parties will own any Patent issuing thereon shall be discussed in good faith and mutually agreed by Nippon and the Subsidiary prior to such Patent Application.

2.4.3 Notwithstanding the preceding paragraphs 2.3.1 and 2.3.2, Nippon, after providing the Subsidiary with appropriate compensation, may solely file any Patent Application worldwide and any Patent issuing thereon can be owned solely by Nippon.

2.5 Any invention made or developed by any employee of the Subsidiary jointly with any employee of Nippon which is not relating to Technical Assistance provided by Nippon to the Subsidiary nor any Subcontract of Work provided by the Subsidiary for Nippon shall be handled as follows:

2.5.1 Any Patent Application in the Home Country shall be filed jointly by parties, and any Patent issuing thereon shall be owned jointly by the parties.

2.5.2 Which of the parties will file any Patent Application in any of the Other Countries and which of parties will own any Patent issuing thereon shall be discussed in good faith and mutually agreed by Nippon and the Subsidiary prior to such Patent Application.

2.5.3 Notwithstanding the preceding paragraphs 2.4.1 and 2.4.2, Nippon, after providing the Subsidiary with appropriate compensation, may solely file any Patent Application worldwide and any Patent issuing thereon can be owned solely by Nippon.

ARTICLE 3 – PROCEDURES FOR PATENT PROSECUTION AND MANAGEMENT

3.1 Notwithstanding the provisions of paragraphs **2.1.3**, 2.2.1 and **2.3.1**, the Subsidiary will undertake and be responsible for the following: the determination as to whether to file a Patent Application; prosecution of a Patent; and maintenance and management of a Patent and other related procedures insofar as they relate to any Patent in the Home Country.

3.2 Regardless of whether or not it is based on a Patent Application in the Home Country, Nippon will undertake and be responsible for the following: the determination as to whether to file a Patent Application; prosecution of a Patent; and maintenance and management of a Patent and other related procedures insofar as they relate to any Patent in any of the Other Countries.

3.3 The Subsidiary shall fully cooperate with Nippon with respect to the documentation of title transfer and other necessary matters concerning the Patent Application, prosecution of a Patent and other related procedures to be undertaken by Nippon under paragraph 3.2 above.

3.4 The provisions of this Article shall apply mutatis mutandis to any Patent

Application, prosecution of a Patent, maintenance and management of a Patent and other related procedures to be undertaken in any of the Other Countries pursuant to the result of negotiation between the parties under paragraph 2.1.2, depending on which of the parties hereto shall, upon negotiation, be designated to be the party to undertake and be responsible for a Patent Application and to own the Patent issuing thereon.

- 3.5 The Subsidiary shall undertake and be responsible for policing and enforcement of any Patent it owns; provided, however, that in the event the Subsidiary intends to send a letter of warning, notice of its Patents or file an infringement suit against any suspect infringer, it shall first notify Nippon in writing of such intent and shall not proceed with such action without the prior written consent of Nippon.

ARTICLE 4 – BEARING OF EXPENSES

- 4.1 Any costs and expenses of a Patent Application, prosecution, maintenance and management of a Patent and other related procedures to be undertaken in the Home Country shall be for the account of the Subsidiary, provided, however, that in the event Nippon owns the Patent issuing thereon in Home Country under paragraphs 2.1.3, 2.2.1 and 2.3.1 or Nippon is, upon negotiation between the parties, designated as the party to undertake a Patent Application and to own the Patent issuing thereon in Home Country pursuant to the result of negotiation under paragraph 2.1.2, Nippon shall bear any such cost and expenses.
- 4.2 Any costs and expenses of Patent Application, prosecution of Patent, maintenance and management of Patent and other related procedures to be undertaken in any of the Other Countries shall be for the account of Nippon; provided, however, that in the event the Subsidiary is, upon negotiation between the parties, designated as the party to undertake a Patent Application and to own the Patent issuing thereon in any of the Other Countries pursuant to the result of negotiation under paragraph 2.1.2, the Subsidiary shall bear any such costs and expenses.
- 4.3 The Subsidiary shall request Nippon a budget for the costs and expenses under Article 4, excluding the costs and expenses which Nippon is not obligated to pay, prior to the each half year period (i.e. prior to April and October) and obtain an approval from Nippon.
- 4.4 Subsidiary shall manage the costs and expenses within the budget approved by Nippon under 4.3.1 above. If Subsidiary foreseen that actual expense and costs would exceed the budget, Subsidiary shall consult to Nippon about the issue as soon as Subsidiary find the fact.

ARTICLE 5 – GRANT OF PATENT LICENSE

- 5.1 Nippon shall have a royalty-free license to use any Patent owned by the Subsidiary in the Home Country.
- 5.2 The Subsidiary shall have a royalty-free license to use any Patent owned by Nippon

in Home Country and any of the Other Countries.

- 5.3 Notwithstanding the provisions of paragraphs 5.1 and 5.2, use by Nippon or the Subsidiary, as the case may be, of any Patent issuing under paragraph 2.1.2, in any of the other Countries shall be negotiated in good faith between the parties.

ARTICLE 6 – LICENSING TO THIRD PARTIES

- 6.1 In the event the Subsidiary intends to grant a license to any third party under any Patent owned by the Subsidiary in the Home Country, the Subsidiary will first consult with Nippon thereon.
- 6.2 In the event any Patent owned by the Subsidiary in the Home Country is reciprocally requested by any third party to be included in subject patents under a cross-licensing agreement between Nippon and such third party, Nippon shall have the right to license such Patent to such third party, provided that license under such third party's subject patents will be granted to the Subsidiary under the cross-licensing agreement.
- 6.3 Licensing to any third party of any Patent referred to in paragraph 2.1.2 which is owned by Nippon or the Subsidiary, as the case may be, in any of the other Countries shall be first negotiated in good faith between the parties hereto. Notwithstanding the preceding sentence, in the event any Patent owned by the Subsidiary in the Other Country is reciprocally requested by any third party to be included in subject patents under a cross-licensing agreement between Nippon and such third party, Nippon shall have the right to license such Patent to such third party, provided that license under such third party's subject patents will be granted to the Subsidiary under the cross-licensing agreement.

ARTICLE 7 – ALLOCATION OF LICENSING PROCEEDS

Allocation of any proceeds arising from licensing to any third party of any Patent owned by Nippon or the Subsidiary, as the case may be, covered by this Agreement shall be determined by good faith negotiation between the parties hereto, taking into account the respective parties degree of contribution to the subject Invention in order for the allocation to reflect properly the degree of contribution.

ARTICLE 8 – REMUNERATION TO INVENTORS

- 8.1 The Subsidiary will remunerate the Inventor of a Patent owned solely by the Subsidiary in the Home Country under paragraph 2.1.1 for the patented Invention in accordance with the Subsidiary's internal rules concerning Inventor remuneration.
- 8.2 The Subsidiary will remunerate the Inventor of a Patent owned solely by Nippon in the Home Country under paragraphs 2.1.3 and 2.2.1 for the patented Invention in accordance with the Subsidiary's internal rules concerning Inventor remuneration. Nippon shall bear any such remuneration costs and expenses.

- 8.3 In the event any Patent referred to in the preceding paragraph issues on an Invention jointly made or developed between any of Nippon's employees and any of the Subsidiary's employees under paragraph 2.3.1, the parties hereto will each remunerate their respective employees for such patented Invention in accordance with their respective internal Inventor remuneration rules. Nippon shall bear any such remuneration costs and expenses.

ARTICLE 9 – PATENT MANAGEMENT

- 9.1 The Subsidiary shall, for the purpose of fully effectuating the matters set forth in this Agreement, maintain an office of Patent management or a patent committee and designate a person responsible for the business of such management.
- 9.2 For the purpose of fully effectuating the management system set out in the preceding paragraph, the Subsidiary shall establish and implement corporate rules concerning, inter alia the following matters.
- 9.2.1 administration regarding inventorship, including, inter alia, transfer of title to Inventions, recording and reporting;
 - 9.2.2 lodging of report on Inventions;
 - 9.2.3 assessment of Inventions;
 - 9.2.4 determination as to whether to file a Patent Application;
 - 9.2.5 procedures for prosecution, acquisition, maintenance and management of Patents; and
 - 9.2.6 Inventor remunerations, as may be necessary.

ARTICLE 10 – REPORTS, NOTICES, etc

- 10.1 Whenever filing of a Patent Application in the Home Country under paragraph 3.1 is completed, the Subsidiary shall, without delay after the filing of each Patent Application, transmit to Nippon a full set of copies of the Patent Application specification, drawings and other filing documents thereof.
- 10.2 In the event Nippon determines not to file a particular Patent Application of an Invention in one or more of the Other Countries pursuant to paragraph 3.2, it shall without delay notice the Subsidiary of such determination.
- 10.3 Nippon or the Subsidiary, as the case may be, shall without delay notify the other party when it shall have obtained any Patent issuing on a Patent Application under the provisions of Article 3.
- 10.4 The Subsidiary, as the case may be, shall first notify Nippon in writing when it

intends to withdraw or abandon any Invention, Patent Application or Patent under the provisions of Article 3, and shall not withdraw or abandon any such Invention, Patent Application or Patent without the prior written consent of the other party.

ARTICLE 11 – TERM

The term of this Agreement shall be for a period of two (2) years from the date of execution hereof; provided, however, that in the absence of any notice of refusal to renew from either of the parties to the other party within one (1) month prior to the expiration of the term or any renewed term thereafter, as the case may be, this Agreement will automatically be renewed for successive periods of one (1) year each upon the same terms and conditions.

ARTICLE 12 – RELATIONS TO PREVIOUS AGREEMENTS

The parties hereto agree that any previous promises, covenants or agreements between the parties hereto in respect of Patents (hereinafter “Previous Agreements”) are hereby superseded as of the date of execution hereof .

ARTICLE 13 – GOOD FAITH NEGOTIATION

The parties hereto shall in good faith negotiate to solve any differences or discrepancies arising from or in connection with interpretation or performance hereof and any matters not specifically set forth herein.

ARTICLE 14 – EXPORT CONTROL

- 14.1 Each party hereto represents and warrants that it shall not use any products, software and/or technology provided by the other, or any other products, software and/or technology manufactured or developed by using them (collectively hereinafter called, “Products”), for the purposes of disturbing international peace and security, including (i) the design, development, production, stockpiling or use of weapons of mass destruction such as nuclear, chemical or biological weapons or missiles, (ii) the other military activities, or (iii) any use supporting these activities.
- 14.2 Each party also represents and warrants that it shall not sell, export, dispose of, license, rent, transfer, disclose or otherwise provide the Products to any third party, whether directly or indirectly, with knowledge or reason to know that the third party or any other party will engage in the activities described above.
- 14.3 Furthermore, each party represents and warrants that it shall not directly or indirectly, export, re-export, transship or otherwise transfer the Products in violation of any applicable export control laws or regulations promulgated and administered by the governments of the countries asserting jurisdiction over the parties or their transactions.

ARTICLE 15 – SEVERABILITY

If any provision or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

ARTICLE 16 – GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Japan.

IN WITNESS WHEREOF, the parties hereto have as of the year and date first written above executed this Agreement in duplicate, one copy of which shall be retained by each party.

Nippon Technology Corp.

by _____
Katsuhiro Tsukamoto ; President & COO

Nippon Design France S.A.S

by _____
Jean-Marie ROLLAND ; President