

**NON-EXCLUSIVE LIMITED PATENT LICENSE AGREEMENT
FOR
RECORDABLE MEDIA MANUFACTURERS**

This Agreement is effective the 1st day of _____, 200_, between DISCOVISION ASSOCIATES, a joint venture subject to the State of California partnership law, having a place of business at 2265 East 220th Street, Long Beach, California 90810, United States of America (“DVA”) and _____, a _____ corporation, having a place of business at _____ (“LICENSEE”), who agree as follows:

Section 1.0 Recitals

- 1.1 This Agreement is a settlement of all outstanding controversies between the parties concerning the subject matter hereof.
- 1.2 DVA has offered LICENSEE, at its sole discretion, the choice of two licensing alternatives. Under the first licensing option, LICENSEE accepts a license under all **Licensed Patents**. Alternatively, LICENSEE accepts a license under one or more individual DVA patents selected by LICENSEE, the availability of such license under any one or more of DVA's patents being in no way conditioned on the need for LICENSEE to take a license under any other of DVA's patents.

Section 2.0 Definitions

- 2.1 “**Recordable Media**” means an information storage medium in the shape of a disc, other than a master disc, capable of having information recorded thereon by an optical recording beam, which information is recoverable using optical detection means. **Recordable Media** include, but are not limited to, Write-Once Media, Magneto-Optical Media (e.g., 3.5”, 5.25”, etc.), Phase-Change Media, Recordable Compact Discs, CD-RW Media, CD-E Media, and **Recordable Mini Discs**. For purposes of this Agreement, **Recordable Media** capable of having information recorded thereon according to any Digital Versatile Disc (DVD) standard, or commonly known as DVD **Recordable Media**, are not **Recordable Media**.
- 2.2 “**Recordable Mini Disc(s)**” means a **Recordable Media** having a diameter of 65 millimeters or less, capable of storing not more than 150 megabytes of data, and is otherwise defined in a specification published by Sony Corporation and commonly referred to as the “Rainbow Book.”
- 2.3 “**Manufacturing Apparatus**” means apparatus for use in the fabrication of **Licensed Products**, including apparatus used in performing quality assurance

- procedures or testing of **Licensed Products**. **Manufacturing Apparatus** includes, but is not limited to, mastering equipment, disc replication equipment, master discs and stampers.
- 2.4 “**Manufacturing Process(es)**” means any method or process, including related apparatus, used in the fabrication of **Licensed Products**, including process steps directed to quality assurance procedures or testing of **Licensed Products**.
- 2.5 “**Licensed Product(s)**” means **Recordable Media**.
- 2.6 “**Licensed Patent(s)**” means all patents owned by DVA as of the effective date of this Agreement, including utility models and design patents, and any patents, including utility models and design patents, issuing from pending patent applications owned by DVA as of the effective date of this Agreement, directed to **Licensed Products** or any **Manufacturing Apparatus** or any **Manufacturing Process**, under which patents and patent applications (as well as divisionals, continuations, continuation-in-part applications, reissues, reexaminations and extensions thereof) DVA has, as of the effective date of this Agreement, the right to grant licenses to LICENSEE of the scope granted herein; provided, however, that such grant, or the exercise of rights under such grant, will not result in the payment of royalties or other consideration by DVA to third parties (except for payments to **Affiliates** of DVA and payments to third parties for inventions made by said third parties while employed by DVA or any of its **Affiliates**). Patents relating to **Licensed Products** and/or their manufacture which have issued and are licensable by DVA are set forth in Appendix A. DVA shall provide LICENSEE on an annual basis an updated version of Appendix A which includes any new patent to be added to Appendix A. Expired patents will be omitted annually from the updated Appendix A.
- 2.7 “**Transfer**” means (i) rent, lease, sell or sold; (ii) deliver to others (including for export) other than by sale, regardless of the basis of compensation, if any, (for example, by consignment, by gift or by transshipment through an intermediate country or territory); or (iii) sell (sold) in combination with other products.
- 2.8 “**Type Number**” means any combination of numbers, letters and/or words used to identify a particular type or model of **Licensed Product**.
- 2.9 “**Affiliate(s)**” means any corporation, company, or other business entity controlled by a party to this Agreement. For this purpose, control means direct or indirect beneficial ownership of greater than fifty percent (50%) of the voting securities or

greater than fifty percent (50%) interest in the income of such corporation, company, or other business entity.

- 2.10 “**Arm's Length Trade**” means a sale, lease or other commercial transaction between unaffiliated parties having an adverse economic interest. After completion of an **Arm's Length Trade**, a party thereto will derive no further economic benefit from subsequent transactions by another party thereto with respect to the goods involved in such **Arm's Length Trade**.
- 2.11 “**Net Selling Price**” means the invoice price after discounts actually allowed for a **Licensed Product** sold in **Arm's Length Trade** by LICENSEE or its **Affiliate**, such price not to include: (1) packaging costs incurred by LICENSEE for such **Licensed Product**; (2) insurance fees and packing and transportation charges incurred by LICENSEE and invoiced separately; (3) duties and sales taxes actually incurred and paid by LICENSEE in connection with delivery of such **Licensed Product**; (4) the cost of any copyright license fee paid by LICENSEE in respect of information stored on the **Licensed Product** by LICENSEE; and (5) the cost of any patent license fee paid by LICENSEE to a third party with respect to the manufacture of the **Licensed Product**. The **Net Selling Price** shall include all mastering charges, including but not limited to, charges incurred for **Manufacturing Apparatus** used in the mastering process, whether such mastering charges are incurred as the result of LICENSEE's own **Manufacturing Apparatus**, or from mastering charges invoiced separately to a third party, such as LICENSEE's purchase of a stamper from a third party. In respect of a **Licensed Product** used or leased by LICENSEE or its **Affiliate** or **Transferred** in other than **Arm's Length Trade** by LICENSEE or its **Affiliate**, the **Net Selling Price** shall be deemed to be equal to the average **Net Selling Price** as defined above for the same or equivalent **Licensed Product** sold in **Arm's Length Trade** during the then current accounting period. If there are no sales in **Arm's Length Trade** during an accounting period, the **Net Selling Price** shall be deemed to be equal to the average **Net Selling Price** as defined above for the same or equivalent **Licensed Product** sold in **Arm's Length Trade** during the most recent accounting period during which sales occurred.

Section 3.0 Non-Exclusive License Grant

- 3.1 DVA grants to LICENSEE a non-exclusive, royalty bearing license under the **Licensed Patents** (i) to make, have made, use, offer to sell or **Transfer Licensed Products** in the United States; and (ii) to make or use **Manufacturing Apparatus** and to use **Manufacturing Processes** in the United States to manufacture **Licensed Products** for LICENSEE.

- 3.2 No license is granted by DVA to LICENSEE, either expressly or by implication, estoppel, or otherwise (i) other than under the **Licensed Patents**; (ii) with respect to any products other than **Licensed Products**; (iii) with respect to any player, recorder, or other product which records information onto or reproduces information from a **Licensed Product**; (iv) to offer to sell or **Transfer** any **Manufacturing Apparatus**; or (v) to offer to sell or **Transfer** any **Manufacturing Process** or process step thereof.
- 3.3 The license granted herein includes a sublicense to LICENSEE's **Affiliates**, identified in Appendix B, which are LICENSEE's **Affiliates** as of the effective date of this Agreement. LICENSEE represents that its **Affiliates** identified in Appendix B include all of LICENSEE's **Affiliates** involved in the manufacture, use or **Transfer** of **Licensed Products**, as of the effective date of this Agreement. LICENSEE shall pay and account to DVA for royalties hereunder with respect to the exercise by any **Affiliate** of LICENSEE of the sublicense granted to it hereunder, and if LICENSEE fails to make such payment or accounting, DVA reserves the right to seek directly from such **Affiliate** any royalties due and owing to DVA. Sublicenses will be granted to additional **Affiliates** of LICENSEE during the term of this Agreement upon receipt by DVA of written notices from LICENSEE setting forth the names and addresses of such additional **Affiliates** to be covered by this Agreement, provided each such notice is given before any sales of **Licensed Products** by the **Affiliate** named therein. Each **Affiliate** sublicensed under this Agreement shall be bound by the terms and conditions of this Agreement as if it were named herein in the place of LICENSEE. LICENSEE represents to DVA that it has the power to bind each such **Affiliate** to the terms and conditions of this Agreement. The sublicense granted to an **Affiliate** shall terminate on the date such **Affiliate** ceases to be an **Affiliate**.
- 3.4 Except as set forth in Section 3.3, LICENSEE is not granted the right to sublicense third parties under this Agreement.

Section 4.0 Release

- 4.1 Subject to the conditions set forth in Section 4.2, DVA releases LICENSEE and its **Affiliates**, identified in Appendix B, from any and all claims of infringement of the **Licensed Patents**, which claims have been made or which might be made at any time, with respect to any **Licensed Products** used or otherwise **Transferred** by or for LICENSEE or its licensed **Affiliates** before the Effective Date, to the extent such **Licensed Products** would have been licensed hereunder had they been manufactured, used or otherwise **Transferred** after the Effective Date. This release shall not apply to any **Licensed Product** on which a royalty accrues after the Effective Date. This release applies only to the **Licensed Patents** and does not apply

to any other patents owned or subject to license by DVA. LICENSEE may remain liable for infringement of other patents owned or subject to license by DVA.

- 4.2 LICENSEE acknowledges that the release set forth in Section 4.1 above is conditioned upon (1) payment of the consideration set forth in Section 5.3 and (2) LICENSEE's compliance with all the terms and conditions of this Agreement, for the first two years of this Agreement. If LICENSEE breaches or terminates this Agreement within two years of the Effective Date, the release shall be void. The consideration paid under Section 5.3, if any, may be used to offset any claims of infringement DVA may choose to pursue upon LICENSEE's breach. LICENSEE further agrees that all legal and equitable limitations laws and periods, including without limitation 35 USC §286, applicable to any such infringement claims will be tolled during the first two years of this Agreement.

Section 5.0 Royalties and other Payments

- 5.1 For each **Licensed Product** which is manufactured, used or **Transferred** in the United States by or for LICENSEE or its **Affiliates**, LICENSEE shall pay to DVA a royalty of thirty-five hundredths of one percent (0.35%) of the **Net Selling Price** of such **Licensed Product**.
- 5.2 No royalties need be paid by LICENSEE for **Licensed Products** manufactured for LICENSEE by any other DVA licensee, so long as the other DVA licensee has fully paid the royalty rate set forth in this Agreement and reported royalties to DVA on such **Licensed Products**, and has identified LICENSEE as the purchaser of such **Licensed Products** in its royalty reports to DVA. If the other DVA licensee has paid only a portion of the royalty rate set forth in this Agreement, then LICENSEE shall receive a credit for that portion of the royalty. If LICENSEE manufactures **Licensed Products** for any other DVA licensee, the royalty due shall be paid by LICENSEE.
- 5.3 LICENSEE agrees to pay DVA, within sixty (60) days of the execution of this Agreement, the sum of _____ United States dollars (U.S. \$_____) as additional consideration for the release granted LICENSEE in Section 4.0. This sum is not refundable and is not creditable toward royalties set forth in this Section 5.0. LICENSEE and its **Affiliates** are jointly and severally liable for this payment, and if LICENSEE fails to make this payment, DVA reserves the right to seek such payment from any or all of the **Affiliates**.

- 5.4 If at any time legal restrictions in the country of LICENSEE's place of business set forth in this Agreement prevent the prompt remittance of part or all of the royalties or other payments to DVA set forth in this Section 5.0, LICENSEE shall upon DVA's written request perform the following:
- 5.4.1 LICENSEE shall make such payments by depositing the amount thereof in local currency to DVA's account in a bank or other depository in such country; and
- 5.4.2 LICENSEE shall assist DVA to obtain authorization to remit such payments outside such country in equivalent U.S. currency.

Section 6.0 Accruals, Records and Reports

- 6.1 Royalties accrue when any **Licensed Product** with respect to which royalty payments are required by Section 5.0 of this Agreement is first put into use or first **Transferred**, whether or not payment is received by LICENSEE. On **Transfers** between LICENSEE and its **Affiliate** for resale or for further **Transfer**, the royalty shall accrue at the time of **Transfer** to the **Affiliate**.
- 6.2 LICENSEE shall pay royalties and other sums of money due hereunder in United States dollars. All royalties for an accounting period computed on invoiced amounts in currencies other than United States dollars shall be converted directly into United States dollars, without intermediate conversions to another currency, at the Telegraphic Transfer Selling (TTS) rate quoted by either the United States edition of the Wall Street Journal or the Sumitomo Mitsui Banking Corporation, Los Angeles Branch, at the close of banking on the last business day of such accounting period. LICENSEE shall provide written confirmation of the quoted TTS rate directly to DVA with the royalty report.
- 6.3 An accounting period will end on the last day of each March, June, September and December during the term of this Agreement. The first accounting period under this Agreement will be for a period commencing on the effective date of this Agreement. Within thirty (30) days after the end of each such period, LICENSEE shall furnish to DVA the written reports containing the information specified in Section 6.4 and pay DVA all accrued royalties to the end of each such period. LICENSEE shall bear and pay, for its activities and DVA's activities, all taxes required by its national government, including any political subdivision thereof, as the result of the existence or operation of this Agreement, except any necessary, appropriate and required

- national income tax imposed upon royalties or other payments by the national government of LICENSEE. LICENSEE may deduct or withhold such national income tax from said royalties or other payments, provided LICENSEE furnishes DVA with a tax certificate or other document evidencing payment of such income tax.
- 6.4 For each accounting period, LICENSEE shall submit a royalty report to DVA that contains the following information:
- 6.4.1 identification by **Type Number**, brand name or label name (if applicable), **Licensed Product** type (for example, CD-R Media, CD-RW Media, etc.), **Net Selling Price**, and quantity of each **Licensed Product** type upon which royalty has accrued pursuant to this Agreement;
 - 6.4.2 for each **Licensed Product** type, the name of the manufacturer, country of manufacture, and the countries in which LICENSEE first put into use or first **Transferred** the **Licensed Products**;
 - 6.4.3 identification of the royalty basis used for each **Licensed Product** type according to the provisions of Section 5.0, the amount of royalties due for each **Licensed Product** type, all information required to show how such amount has been calculated, and the aggregate amount of all royalties due; and
 - 6.4.4 identification by manufacturer, **Type Number**, brand name or label name (if applicable), and quantity of each **Licensed Product** type that is exempt from royalty according to Section 5.2.

In the event no royalties are due, LICENSEE's report shall so state.

- 6.5 LICENSEE's royalty reports shall be certified by an officer of LICENSEE or by a designee of such officer to be correct to the best of LICENSEE's knowledge and information.
- 6.6 LICENSEE shall keep separate records in sufficient detail to permit the determination of royalties payable hereunder. At the request of DVA, LICENSEE shall permit independent auditors or technical consultants selected by DVA to examine during ordinary business hours once in each calendar year such records and

other documents as may be necessary to verify or determine royalties paid or payable under this Agreement. Such auditors or technical consultants shall be instructed to report to DVA only the amount of royalties due and payable. If no request for examination of such records for any particular accounting period has been made by DVA within five (5) years after the end of said period, the right to examine such records for said period, and the obligation to keep such records for said period, will terminate. If LICENSEE discovers an error in the reporting or payment of royalties in its favor, LICENSEE must notify DVA within this five-year period, or correction of such error will be waived.

- 6.7 The fees and expenses of DVA's representatives performing any examination of records under Section 6.6 above shall be borne by DVA. However, if an error in royalties of more than three percent (3.0%) of the total royalties due is discovered for any year examined, then the total fees and expenses of these representatives shall be borne by LICENSEE.

Section 7.0 Interest on Overdue Royalties and Other Payments

- 7.1 LICENSEE shall be liable for interest at a rate of one and one-half percent (1.5%) per month compounded monthly on any overdue royalty or other payment required under this Agreement, commencing on the date such royalty or other payment becomes due. Interest on such overdue royalty or other payment shall continue to accrue, and the duty to pay such interest shall continue beyond any expiration or termination of this Agreement (including, without limitation, any termination under Section 10.0). If such interest rate exceeds the maximum legal rate in the jurisdiction where a claim therefor is being asserted, the interest rate shall be reduced to such maximum legal rate.

Section 8.0 License to DVA

- 8.1 LICENSEE grants to DVA and its **Affiliates** an irrevocable, worldwide, non-exclusive, royalty-free license under LICENSEE's patents and patent applications to make, have made, use or otherwise **Transfer** products corresponding to the **Licensed Products** defined herein, and to make, have made, use or have used **Manufacturing Apparatus** in the manufacture of such products and to practice or have practiced **Manufacturing Processes** in the manufacture of such products. Said license to DVA and its **Affiliates** shall be effective as of the date LICENSEE first pays royalties in accordance with Section 5.0 hereof. Said license shall be with respect to all of LICENSEE's patents and patent applications, including utility models, design patents, divisionals, reissues, extensions, continuations, and reexaminations, under

which patents and patent applications LICENSEE now has or hereafter, during the term of this Agreement, obtains the right to grant licenses to DVA of the scope granted herein.

- 8.2 The license as set forth in Section 8.1 shall not apply with respect to any patent of LICENSEE, if such grant would result in the payment of royalties by LICENSEE to third parties, except for payments to **Affiliates** of LICENSEE and payments to third parties for inventions made by said third parties while employed by LICENSEE or any of its **Affiliates**.

Section 9.0 Assignments

- 9.1 LICENSEE shall not assign any of its rights or privileges hereunder without the prior written consent of DVA, except to a successor in ownership of all or substantially all the assets of LICENSEE, which successor expressly assumes in writing the performance of all the terms and conditions of this Agreement to be performed by LICENSEE as if it were named herein in the place of LICENSEE. After any such assignment, LICENSEE will no longer be licensed hereunder.

Section 10.0 Term of Agreement; Termination

- 10.1 Subject to Section 10.6 below, the term of this Agreement will be from the effective date until the expiration of the last to expire of the **Licensed Patents**, unless previously terminated as hereinafter provided.
- 10.2 LICENSEE may terminate the license granted herein, but only in its entirety, at any time by giving notice in writing to DVA.
- 10.3 DVA may terminate this Agreement if:
- 10.3.1 LICENSEE defaults under any term of this Agreement, other than a default under Section 10.4 hereof, which default is not cured within thirty (30) days of written notice from DVA; or
 - 10.3.2 LICENSEE becomes insolvent or admits in writing its inability to pay its debts as they mature or makes an assignment for the benefit of creditors; or
 - 10.3.3 LICENSEE files a petition under any foreign or U.S. bankruptcy law; or
 - 10.3.4 LICENSEE fails to comply with Section 10.4 hereof.

- The rights and remedies set forth in this section are not exclusive and are in addition to any other legal or equitable rights and remedies available to DVA.
- 10.4 Each party must inform the other of its intent to file a voluntary petition in bankruptcy or of another's intent to file an involuntary petition against such party in bankruptcy at least thirty days before the filing of such a petition. Either party may terminate this Agreement upon receipt of the notice described in the immediately preceding sentence. A party's failure to provide the notice required under this section shall be deemed a material, pre-petition incurable breach of this Agreement. Notwithstanding any provision of this Agreement, any termination which results from a failure to give notice required under this Section 10.4 shall be effective as of the date of such breach.
- 10.5 If this Agreement or the license granted hereunder is terminated under this Section 10.0 or assigned under Section 9.0, the corresponding sublicenses granted to **Affiliates** of LICENSEE under Section 3.3 will likewise terminate, but no notices need be given by DVA to such **Affiliates**.
- 10.6 Any expiration or termination of this Agreement under this Section 10.0, or any termination of a sublicense under Section 3.3, will not relieve LICENSEE of any obligation or liability accrued before such expiration or termination (including, without limitation, the obligations set forth in Sections 5.0, 6.0 and 7.0), or rescind or give rise to any right to rescind anything done by LICENSEE or any payments made or other consideration given to DVA before the time such expiration or termination becomes effective, and such expiration or termination shall not affect in any manner any rights of DVA arising under this Agreement or at law or equity before such expiration or termination. LICENSEE's obligations under Section 7.0 will survive any expiration or termination of this Agreement.

Section 11.0 Payments, Notices and Other Communications

- 11.1 Any notice or other communication pursuant to this Agreement shall be made by registered mail, certified mail, or courier, and will be effective upon receipt by the addressee. Such notice or communication shall be mailed to:

11.1.1 In the case of DVA:

Dennis Fischel
President
DISCOVISION ASSOCIATES
2265 East 220th Street
Long Beach, CA 90810
United States of America

11.1.2 In the case of LICENSEE:

Name: _____
Title: _____
Company: _____
Address: _____

11.2 LICENSEE's royalty reports, as described in Section 6.0 of this Agreement, shall be sent via air mail or courier to:

DISCOVISION ASSOCIATES
ATTN: Controller
2265 East 220th Street
Long Beach, CA 90810
United States of America

Fax No.: +1 (310) 513-7684

A summary of the report, which states the total royalty to be paid, shall be sent by facsimile to DVA on, or before, the mailing of the complete report.

11.3 All payments set forth in Section 5.0 of this Agreement shall be paid as follows:

11.3.1 For all international payments paid via FED wire transfer using SWIFT payment:

Sumitomo Mitsui Banking Corporation,
New York Branch SMBCUS33
for the Account of Sumitomo Mitsui Banking Corporation,
Los Angeles Branch SMBCUS66
for Beneficiary Customer: Discovision Associates
Account Number: 046 133013 70;

- 11.3.2 for any other international payments paid via FED wire transfer **not** using SWIFT payment and all wire payments originating in the United States:

Sumitomo Mitsui Banking Corporation,
Los Angeles Branch
FED ABA Number: 122041594
for Beneficiary Customer: Discovision Associates
Account Number: 046 133013 70;

- 11.3.3 or by check payable to DVA and mailed via air mail directly to:

DISCOVISION ASSOCIATES
ATTN: Controller
2265 East 220th Street
Long Beach, CA 90810
United States of America

Section 12.0 Applicable Law; Venue; Jurisdiction

- 12.1 This Agreement shall be construed, and the legal relations between the parties shall be determined, in accordance with the laws of the State of New York (without giving effect to the choice of law provisions thereof) and, as applicable, the laws of the United States of America.
- 12.2 Any dispute that arises under or relates to this Agreement shall, at DVA's election, be prosecuted exclusively in the appropriate court situated in the State of Delaware, United States of America. LICENSEE consents to the venue and jurisdiction of such court for purposes of any such dispute, and agrees that a judgment of such court shall be enforceable in the jurisdiction in which LICENSEE is located.
- 12.3 LICENSEE agrees to accept service of process by mail or courier to the person identified in Section 11.1.2, and hereby waives any right to service in any other manner. Additionally, LICENSEE can appoint an agent to accept service of process within the jurisdiction specified in Section 12.2 above, and to notify DVA of the name and address of such agent.

Section 13.0 Miscellaneous

- 13.1 Nothing contained in this Agreement shall be construed as:
- 13.1.1 requiring the filing of any patent application, the securing of any patents or the maintenance of any patents; or
 - 13.1.2 a warranty or representation by DVA as to the validity or scope of any **Licensed Patent**; or
 - 13.1.3 a warranty or representation that the manufacture, use or **Transfer** of any **Licensed Product** is free from infringement of any patents or other rights of third parties; or
 - 13.1.4 an obligation on the part of DVA to furnish any manufacturing or technical information, or any information concerning other licensees; or
 - 13.1.5 an obligation upon DVA to determine the applicability of its patents to any of LICENSEE's products; or
 - 13.1.6 a license with respect to any act which would otherwise constitute inducement of infringement or contributory infringement under United States patent law or its equivalent under any law foreign to the United States; or
 - 13.1.7 conferring any right to use, in advertising, publicity, or otherwise, any name, trade name, trademark, service mark, symbol or any other identification or any contraction, abbreviation or simulation thereof; or
 - 13.1.8 conferring any rights by implication, estoppel or otherwise, to or under copyrights with respect to any computer software under any present system of statutory protection or one hereinafter enacted in any country or countries, wherein the copying of such computer software is a requisite of infringement under such system; or
 - 13.1.9 an obligation to bring or prosecute actions or suits against third parties for infringement of any patent.
- 13.2 LICENSEE shall have the complete responsibility and shall use its best efforts to obtain all necessary approvals and validations of this Agreement, including all

- necessary approvals and validations for any products made, used, rented, leased or sold hereunder.
- 13.3 LICENSEE will sell and deliver to DVA, F.O.B. LICENSEE's shipping point, any **Licensed Product** ordered from LICENSEE by DVA and which is manufactured by or available for sale by LICENSEE. LICENSEE will also sell and deliver to DVA a copy of each manual (including, but not limited to, service, use and other technical manuals) relevant to a **Licensed Product** manufactured by or for LICENSEE, provided that, upon request by LICENSEE, DVA first delivers to LICENSEE a letter agreeing to hold such manual in confidence and to use it only for reverse engineering purposes. Any such sales will be at the same prices charged to LICENSEE's most favored customer.
- 13.4 The waiver by either party of a breach or default of any provision of this Agreement by the other party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of either party to exercise or avail itself of any right, power or privilege that it has or may have hereunder operate as a waiver of any right, power or privilege of such party.
- 13.5 Both parties intend to make this Agreement binding only to the extent that it may be lawfully done under existing applicable law as identified in Section 12.0. If any sentence, paragraph, clause or combination of the same is in violation of any applicable law, that portion which is in violation shall be severed from this Agreement and the remainder of this Agreement shall remain binding upon the parties hereto, except that no license is granted, expressly or by implication, unless royalties are paid under Section 5.0.
- 13.6 Each party represents and warrants that it has the full right and power to enter into this Agreement and that there are no outstanding agreements, assignments, or encumbrances to which the representing party is bound which may restrict, or prohibit entry into, or performance under, this Agreement. DVA further represents and warrants that it has the full power to grant the license and release set forth in Sections 3.0 and 4.0. Neither party makes any other representations or warranties, express or implied, other than the representations set forth in Section 3.3 regarding **Affiliates**.
- 13.7 The headings of the several sections are inserted for convenience of reference only and are not intended to affect the meaning or interpretation of this Agreement.

- 13.8 This Agreement may be executed in any number of copies, but all of such counterparts together shall constitute one and the same Agreement.
- 13.9 This Agreement may be translated or executed in both English and another language; however, the parties agree that the English language version shall control.
- 13.10 The parties acknowledge that this instrument sets forth the entire agreement and understanding of the parties hereto and supersedes all previous communications, representations and understandings, either oral or written, between the parties relating to the subject matter hereof, except prior written agreements signed by both parties, and shall not be subject to any change or modification except by the signing of a written instrument by or on behalf of both parties.
- 13.11 All references in this Agreement to the United States shall include its territories and possessions, the District of Columbia, and the Commonwealth of Puerto Rico. All references in this Agreement to Canada shall include its territories and possessions.
- 13.12 Each party acknowledges that it has been represented by independent counsel of its own choice, and that it has executed this Agreement with its full knowledge and understanding of its content, and with the consent and upon the advice of independent counsel. This Agreement shall be construed as if drafted by both LICENSEE and DVA and shall not be strictly construed against either party.

Section 14.0 Confidentiality

14.1 The parties and their agents agree that they will treat as confidential the contents of this Agreement, shall take all reasonable precautions to keep them confidential and shall not disclose to others the contents of this Agreement except as required by law or in order to enforce their respective rights hereunder; provided, however, that this obligation of confidentiality does not preclude either party from divulging to others only the fact that the parties have reached an agreement on mutually acceptable terms and conditions, or from DVA including LICENSEE's name on a list of DVA licensees.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly signed as of the dates written below, to be effective as of the date first above written.

DISCOVISION ASSOCIATES

Witness: _____
By: Dennis Fischel
Title: President
Date: _____

(Company Name)

Witness: _____
By:
Title:
Date: _____

APPENDIX A

Country	Patent
United States of America	4,819,799
	4,895,252
	4,957,603
	4,967,286
	4,980,878
	4,994,666
	4,998,011
	5,001,568
	5,003,526
	5,018,020
	5,084,852
	5,126,990
	5,136,558
	5,155,633
	5,177,640
	5,220,434
	5,245,174
	5,253,244
	5,265,079
	5,313,332
	5,321,680
	5,331,622
	5,349,175
	5,373,490
	5,375,116
	5,448,545
	5,459,709
	5,479,390
	5,528,381
	5,532,989
	5,537,379
	5,553,047
	5,557,593
	5,559,781
	5,568,315
	5,577,015
	5,581,526
	5,581,528
	5,583,841
	5,587,983

Country	Patent
United States of America	5,590,102
	5,592,455
	5,592,457
	5,646,778
	5,650,874
	5,657,164
	5,659,526
	5,659,535
	5,675,413
	5,677,899
	5,682,367
	5,719,836
	5,724,331
	5,729,511
	5,748,578
	5,761,170
	5,771,095
	5,774,440
	5,790,495
	5,796,703
	5,808,980
	5,808,990
	5,828,054
	5,859,825
	5,875,158
	5,878,015
	5,881,036
	5,889,750
	5,894,468
	5,920,539
	5,974,007
	5,974,022
	5,978,329
	5,978,331
	5,991,252
	6,009,061
	6,014,355
	6,025,912
	6,034,364
	6,058,081
	6,087,644
	6,091,684

Country	Patent
United States of America	6,122,232
	6,134,199
	6,137,942
	6,141,300
	6,163,645
	6,167,023
	6,192,017
	6,195,502
	6,198,717
	6,201,630
	6,201,659
	6,204,925
	6,243,336
	6,266,306
	6,314,069
	6,317,393
	6,343,061
	6,411,580
	6,411,584
	6,418,097
	6,445,650
	6,493,094
	6,532,199
	6,542,451
	6,570,839
	6,741,529
	6,744,711
	6,842,407

APPENDIX B

LICENSEE'S **Affiliates** as of the effective date of this Agreement are:

Company: _____
Address: _____

Company: _____
Address: _____

