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1997

BRUCE NATHANIEL GRAY

(Assignor)

and

PARAGON MEDICAL LTD

(ACN) 078 166 122

(Assignee)

DEED OF ASSIGNMENT OF
INTELLECTUAL PROPERTY RIGHTS

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This Deed is made this day of 1997,

BETWEEN

BRUCE NATHANIEL GRAY of 18 Riley Road, Claremont, WA 6010
(the Assignor)

and

PARAGON MEDICAL LIMITED (ACN) ;

WHEREAS

- A. The Assignor is the creator and beneficial owner of the Intellectual Property Rights in the Inventions and in all other property being assigned by the Assignor under this assignment.
- B. The Assignor has agreed to assign the Intellectual Property Rights in the Technology to the Assignee on the terms and conditions of this Deed.

OPERATIVE PART:

1. Definitions

"Acquired Inventions" means the Inventions in respect of, or which are the subject of or in connection with, any of the Assets;

"Assets" means

- (a) the Gray Assets;
- (b) the Institute Assets;
- (c) the Former Company Assets;

"Company" means Paragon Medical Limited (ACN) ;

"Deed" means this deed as supplemented, varied or amended from time to time;

"Encumbrances" means any right, entitlement, interest, power, authority, discretion, claim or remedy, including but not limited to;

- (a) a security for the payment of any debt;
 - (1) reserved in or over an interest in any asset including, but not limited to, any retention of title;
 - (2) granted, created or otherwise arising in or over an interest in any asset under a bill of sale, mortgage, charge, hypothecation, lien, pledge, trust or power;

- (b) any finance lease, hire purchase agreement, conditional sale, lease, retention of title agreement, option, right to acquire, assignment or other encumbrance reserved, granted or created in or over an interest in any asset;
- (c) any monetary obligation or the performance of any monetary obligation including, but not limited to, a loan, guarantee, letter of comfort, indemnity or surety; or
- (d) any agreement to reserve, grant or create anything in paragraphs (a) to (c) of this definition.

"Former Company" means Australian Surgical Products Ltd (ACN 088 053 228);

"Former Company Assets" means

- (a) the Former Company Know How;
- (b) the Former Company Rights;

"Former Company Know How" means all of the rights and title of the Former Company to, and interests of the Former Company in, or in connection with, its knowledge or the information in relation to:

- (a) the Inventions;
- (b) the Patents;
- (c) the Rights;
- (d) the design, production and delivery of micro-particles for use in the treatment of liver cancer; and
- (e) the exploitation of any of the matters which are described in paragraphs (a) to (d) of this definition;

"Former Company Rights" means

- (a) the rights and title of the Former Company to and interest of the Former Company in or in connection with the Patents;
- (b) the rights and title of the Former Company to and interest of the Former Company in or in connection with any improvements on any of the Acquired Inventions in all countries and jurisdictions of the world;
- (c) the rights of the Former Company, if any, to lodge any applications for patents or other Intellectual Property protection with respect to:
 - (1) any of the Acquired Inventions; or
 - (2) any improvements on any of the Acquired Inventions in any country or jurisdiction of the world;
- (d) the rights, powers, privileges and immunities of the Former Company which have arisen or accrued or arise or accrue from:
 - (1) the Former Company Know How;
 - (2) the Patents;
 - (3) the Acquired Inventions; or

(4) any Intellectual Property right which may be granted on, or claim priority from;

- (A) the Patents; or
- (B) any applications which is referred to in paragraph (c) of this definition;

(e) all rights, if any, which the Former Company has to take action against third parties for infringement of:

- (1) the Institute Know How;
- (2) the Gray Patents;
- (3) any application which is referred to in paragraph (c) of this definition;

whether or not such infringement occurred before the date of this Agreement; and

(f) every other right and title of the Former Company to and interest of the Former Company in or in connection with the Acquired Inventions;

"Governmental Agency" means any government, or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world;

"Gray Assets" means:

- (a) the Gray Patents;
- (b) the Gray Know How;
- (c) the Gray Rights;
- (d) the Gray Equipment;

"Gray Equipment" means all of the rights and title of Gray to, and the interest of Gray in:

- (a) a Modutemp high temperature oven (model KS17EVM and serial number 980994);
- (b) a Retach shaker (model 3D and serial number 18282); and
- (c) a Unisonics ultrasonic cleaner (model FXF4 and serial number 523);

"Gray Inventions" means each invention which is described in, or any patent or patent application which is derived from:

- (a) international patent application number PCT/AU85/00027 which is entitled "particulate material";
- (b) provisional patent application number PN8782 which is entitled "targeted hysteresis hyperthermia as a method for treating cancer"; or
- (c) international patent application number PCT/AU84/00708 and entitled "controlled release preparation";

"Gray Know How" means all rights and title of Gray to, and interest of Gray in, or in connection with, his knowledge of the information in relation to:

- (a) the Inventions;
- (b) the Patents;

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- (c) the Rights;
- (d) the design, production and delivery of micro-particles for use in the treatment of liver cancer; and
- (e) the exploitation of any of the matters which are described in paragraphs (a) to (d) of this definition;

"Gray Patents" means:

- (a) each patent and patent application which is derived from International patent application number PCT/AUS95/00027 which is entitled "particulate material";
- (b) the provisional patent application number PN9782 which is entitled "targeted hysteresis hyperthermia as a method for treating cancer";
- (c) the rights and title of Gray to and interest of Gray in or in connection with every patent and patent application which is derived from International patent application number PCT/AUS94/00708 which is entitled "controlled release preparation";
- (d) the rights and title of Gray to and interest of Gray in or in connection with any improvements on any of the Gray Inventions in all countries and jurisdictions of the world;
- (e) the right of Gray, if any, to lodge any applications for patents or other Intellectual Property protection with respect to:
 - (1) the Gray Invention; or
 - (2) any improvements on any of the Gray Inventions in any country or jurisdiction of the world;
- (f) the rights, powers, privileges and immunities of Gray which have arisen or accreted or arise or accrue from:
 - (1) any patent or patent application which is derived from any patent or patent application which is described in this definition;
 - (2) any of the Gray Inventions; or
 - (3) any Intellectual Property right which may be granted on or claim priority from:
 - (A) any patent or patent application which is derived from any patent or patent application which is described in this definition; or
 - (B) any application which is referred to in paragraph (e) of this definition;
- (g) the rights, if any, which the Institute has to take action against third parties for infringement of:
 - (1) any patent or patent application which is derived from any patent or patent application which is described in this definition; or
 - (2) any application which is referred to in paragraph (e) of this definition;

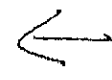
whether or not such infringement occurred before the date of this Agreement; and

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- (h) each written document, whether draft, provisional or final, which describes any of the Gray inventions or any improvement on any of the Gray inventions which has been lodged by Gray as inventor with the Australian Industrial Property Office or any other Governmental Agency, whether approved for registration or otherwise;



"Gray Rights" means:

- (a) the rights and title of Gray to, and interest of Gray in, or in connection with, any improvements on any of the Acquired Inventions in all countries and jurisdictions of the world;
- (b) the rights of GRAY, if any, to lodge any applications for patents or other Intellectual Property protection with respect to:
 - (1) any of the Acquired Inventions; or
 - (2) any improvements on any of the Acquired Inventions in any country or jurisdiction of the world;
- (c) the rights, powers, privileges and immunities of Gray which have arisen or accrued or arise or accrue from:
 - (1) the Gray Know How;
 - (2) the Gray Patents;
 - (3) the Acquired Inventions; or
 - (4) any Intellectual Property right which may be granted on, or claim priority from any application which is referred to in paragraph (b) of this definition;
- (d) all rights, if any, which Gray has to take action against third parties for infringement of:
 - (1) the Gray Know How; or
 - (2) any application which is referred to in paragraph (c) of this definition;

whether or not such infringement occurred before the date of this Agreement; and

- (e) every other right and title of Gray to, and interest of the Institute in, or in connection with, the Acquired Inventions;

"Institute" means Cancer Research Institute Incorporated, an association incorporated with registration number 1001005 under sub-section 18(6) of the Associations Incorporation Act 1987 (Western Australia)

"Institute Assets" mean:

- (a) the Institute Know How;
- (b) the Institute Patent;
- (c) the Institute Rights; and
- (d) the Institute Equipment;

"Institute Invention" means each invention which is described in, or any patent or patent application which is derived from, international patent application number PCT/AU94/00708 which is entitled "controlled release preparation";

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"Institute Know How" means all of the rights and title of the Institute to, an interest of the Institute in, or in connection with its knowledge or the information in relation to:

- (a) the Inventions;
- (b) the Patents;
- (c) the Rights;
- (d) the design, production and delivery of micro-particles for use in the treatment of liver cancer; and
- (e) the exploitation of any of the matters which are described in paragraphs (a) to (d) of this definition;

"Institute Patents" means;

- (a) every patent and patent application which is derived from international patent application number PCT/AU94/00708 which is entitled "controlled release preparation";
- (b) all of the rights and title of the Institute to, and interest of the Institute in, or in connection with, every patent and patent application which is derived from international patent application number PCT/AU94/00708 which is entitled "controlled release preparation";
- (c) all of the rights and title of the Institute to, and interest of the Institute in, or in connection with, any improvements on the Institute invention in all countries and jurisdictions of the world;
- (d) the right of the Institute, if any, to lodge any applications for patents or other Intellectual Property protection with respect to:
 - (1) the Institute invention; or
 - (2) any improvements on the Institute invention in any country or jurisdiction of the world;
- (e) the rights, powers, privileges and immunities of the Institute which have arisen or accrued or arise or accrue from:
 - (1) any patent or patent application which is derived from international patent application number PCT/AU94/00708 which is entitled "controlled release preparation";
 - (2) the Institute invention;
 - (3) any Intellectual Property right which may be granted on, or claim priority from:
 - (A) every patent or patent application which is derived from international patent application number PCT/AU94/00708 which is entitled "controlled release preparation";
 - (B) any application which is referred to in paragraph (d) of this definition; and
- (f) all rights, if any, which the Institute has to take action against third parties for infringement of:
 - (1) every patent or patent application which is derived from international patent application number,

- PCT/AU84/00708 which is entitled "controlled release preparation";
- (2) any application which is referred to in paragraph (d) of this definition;

whether or not such application occurred before the date of this Agreement;

"Institute Rights" means:

- (a) the rights and title of the Institute to, and interest of the Institute in, or in connection with, the Gray Patents;
- (b) the rights and title of the Institute to, and interest of the Institute in, or in connection with, any improvements on any of the Acquired Inventions in all countries and jurisdictions of the world;
- (c) the rights of the Institute, if any, to lodge any applications for patents or other Intellectual Property protection with respect to:
 - (1) any of the Acquired Inventions; or
 - (2) any improvements on any of the Acquired Inventions in any country or jurisdiction of the world;
- (d) the rights, powers and immunities of the Institute which have arisen or accrued or arise and accrue from:
 - (1) the Institute Know How;
 - (2) the Gray Patents;
 - (3) the Acquired Inventions; or
 - (4) any Intellectual Property right which may be granted on, or claim priority from:
 - (A) the Gray Patents; or
 - (B) any application which is referred to in paragraph (c) of this definition;
- (e) all rights, if any, which the Institute has to take action against third parties for infringement of:
 - (1) the Institute Know How;
 - (2) the Gray Patents; or
 - (3) any application which is referred to in paragraph (c) of this definition;

whether or not such infringement occurred before the date of this Agreement; and

- (f) every other right and title of the Institute to, and interest of the Institute in, or in connection with, the Acquired Inventions;

"Intellectual Property" includes:

- (a) any patents, utility models, copyrights, registered or unregistered trade marks or service marks, trade names, brand names, indications of source or appellations of origin, eligible layout rights, plant variety rights, registered designs or commercial names or designations;

- (b) any invention, discovery, trade secret, know-how, computer software or confidential scientific, technical or product information;
- (c) any other rights which result from intellectual activity in the industrial, scientific, literary or artistic fields whether industrial, commercial or agricultural and whether dealing with manufactured or natural products; and
- (d) any pending application, letters, patents, deed of grant, certificate or document of title for any thing which is referred to in paragraphs (a) to (c) of this definition and any medium which any thing which is referred to in those paragraphs is stored or embodied.

both in Australia and throughout the world and for the duration of such rights;

"Inventions" means each invention within the meaning of the Patents Act 1990 which relates to the treatment of liver cancer, including without limitation, each invention which is disclosed in the Patents;

"Patents" means

- (a) the Gray Patents; and
- (b) the Institute Patent;

"Rights" means

- (a) the Gray Rights;
- (b) the Institute Rights; and
- (c) the Former Company Rights;

"Institute Equipment" means all of the rights and title of the Institute to, and the interest of the Institute in:

- (a) a Modutemp high temperature oven (model KS17EVM and serial number 960994);
- (b) a Retach shaker (model 3D and serial number 18282); and
- (c) a Unisonics ultrasonic cleaner (model FXPI4 and serial number 523);

"Subscription and Shareholders' Agreement" means the subscriptions and shareholders' agreement which is dated on or about the date of this Deed and is between the Assignor, the Assignee, the Institute, Peter Jones, Kevin Karlson and NJI No 2 Investment Fund;

2. Interpretation

- (a) Where applicable, words denoting the singular include the plural, words denoting the plural include singular and words denoting a gender include each gender;
- (b) A reference to a statute includes a regulation, by-law, requisition or order made under that statute and any amendments to or re-enactment of that statute, regulation, by-law, requisition or order from time to time in force;

- (c) Unless otherwise provided in this Deed, a reference to any other deed, agreement, instrument or contract includes a reference to that other deed, agreement, instrument or contract as amended, supplemented or varied from time to time;
- (d) Unless otherwise required by the context or subject matter, a reference to a party includes that party's executors, administrators, personal representatives, successors and assigns;
- (e) When the day or last day for doing an act is not a business day, the day or last day for doing that act will be the next following business day.

3. The Assignment

The Assignor, as beneficial owner, for good and valuable consideration receipt whereof is hereby acknowledged, hereby assigns, conveys and transfers to the Assignee, free from all Encumbrances, the Gray Assets.

4. Purchase Price

The purchase price payable to the Assignor by the Company for this assignment, conveyance and transfer will be \$2,739,990.00. The Company agrees the purchase price will be satisfied by the allotment of 1,028,333 "A" ordinary class shares and 341,662 "B" ordinary class shares at an issue price of \$2.00 a share to the Assignor.

5. Settlement

Settlement will take place on the date of this Deed at the offices of the Assignor's solicitors or such other place as the parties may agree.

6. Covenants

The Assignee covenants with the Assignor to pay to the Assignor on a full indemnity basis all amounts payable by the Assignor in respect of the legal costs and disbursements of and incidental to:

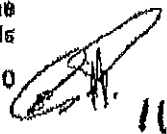
- (a) the instructions for the preparation, execution, stamping and registration of this Deed; and
- (b) any registration of the Assignee as the owner of any rights assigned by the Assignor to the Assignee under this Assignment.

7. Rights

The Assignor must deliver up all certificates of title, papers, plans, reports and any other items in relation to all the Gray Assets on the date of this Deed.

8. Attorney

The Assignor irrevocably appoints the Assignee to be the attorney for the Assignor in the name of and on behalf of and in the act and deed of the Assignor to do all acts and execute all documents instruments and deeds

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(whether under hand or seal) necessary or desirable for effecting the title of the Assignee to the Gray Assets

8. Notice

A notice to a person must be in writing and may be given or made by:

- (a) delivering it to that person personally;
- (b) addressing it to that person and leaving it at or posting it to the address of that person appearing in this Deed, that persons usual or last named place of residence, that persons usual or last named place of business, or any other address nominated by that person by notice to the person giving the notice; or
- (c) sending a facsimile copy of the notice to the facsimile number nominated by that person by notice to the person giving the notice;

and such notice will be deemed to be given or made:

- d) if by personal delivery, when delivered;
- e) if by leaving the notice at an address specified above, when left at that address;
- f) if by post, on the second business day following the date of posting of the notice to the address specified above;
- g) if by facsimile, when despatched by facsimile to the notified facsimile number; and

such notice may be signed, if given by an individual, by the person giving the notice, if given by corporation by a director, secretary or manager of that corporation, or by a solicitor or other agent of the person giving the notice.

10. Governing Law

- (a) This deed is governed by the laws of Western Australia and where applicable the laws of the Commonwealth of Australia.
- (b) A dispute arising out of this Deed is to be determined by a single arbitrator under the provisions of the Commercial Arbitration Act 1985 and each party may be represented by a legal practitioner of their choice.

11. Full Effect

The parties must execute and do all acts and things necessary or desirable to implement and give full effect to the provisions and purpose of this Deed.

12. Representations and Warranties

The Assignor represents and warrants to the Assignee that the warranties which are provided in item 7 of schedule 4 to the Subscription and

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Shareholders' Agreement are true, accurate and not misleading in any respect.

13. Indemnities

The Assignor indemnifies the Assignee against any claim, action, demand, damage, loss, liability, cost, charge, expense, outgoing or payment which the Assignee pays, suffers, incurs or is liable for in respect of:

- (a) any breach of the representation and warranty in clause 12 of this Deed; and
- (b) the exercise of any of the powers of the Assignee under clause 9 of this Deed.

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EXECUTED BY THE PARTIES AS A DEED

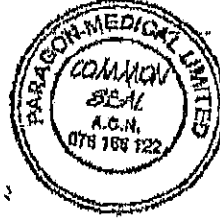
SIGNED SEALED AND DELIVERED by the said
BRUCE NATHANIEL GRAY
in the presence of:



Katherine Jane..... Witness

Katherine Jane.....
Print Name of Witness

THE COMMON SEAL OF
PARAGON MEDICAL LIMITED
(ACN 078 188 122)
was herewith affixed in accordance with
its articles of association in the presence of:



Bruce Nathaniel Gray..... Director

[Signature]..... Director/Secretary

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