

APPENDIX E - IP PORTION OF EMPLOYMENT AGREEMENT

In consideration of my employment by _____, or any of its successors, assigns, affiliates or subsidiary companies (each hereinafter referred to as the "Company"), and as a condition of my employment with the Company, I agree as follows:

I. TRADE SECRETS AND CONFIDENTIAL INFORMATION.

A. Confidentiality of Company Information. I agree to regard and preserve as confidential all information obtained by me relating or pertaining to the Company's business, business plans, projects, services, products, processes, past and potential customers, including, but not limited to, any contact information therefor, vendors, trade secrets, marketing strategies, confidential information (including business and financial information) or unpublished know-how, whether patented or unpatented, and to all of my activities for or on behalf of the Company, and not to publish or disclose any part of such information to others or use the same for my own purposes or the purposes of others, during the term of this employment or thereafter. Any information of the Company which is not readily available to the public shall be considered by me to be confidential information and therefore within the scope of this Agreement, unless the Company advises me otherwise in writing.

B. Prevention of Unauthorized Release of Company Confidential Information.

I agree to advise the Company promptly of any knowledge I may have of any unauthorized release or use of any Company confidential information, and shall take reasonable measures to prevent unauthorized persons or entities from having access to, obtaining or being furnished with any Company confidential information.

C. Termination of Employment. I agree that, upon termination of my employment with the Company (voluntary or otherwise), I will return to the Company all property belonging to the Company, and that all files, documents, records, notebooks, databases, lists, manuals, and tangible articles, whether originals or copies, containing or embodying confidential information, including information or data stored on computer drives, computer disks, compact disks ("CDs"), tape backups or other forms of information storage, then in my possession, or under my custody or control, whether prepared by me or others, will be left with the Company. I recognize that the unauthorized taking of any of the Company's trade secrets may be prosecuted as a crime under section 499(c) of the California Penal Code. I further recognize that unlawful misappropriation of the Company's trade secrets may also result in civil liability under California Civil Code Section 3426, et seq.

D. Exit Interview. I agree that, upon termination of my employment with the Company (voluntary or otherwise), I will attend an exit interview and execute a completed Termination Certificate in a form substantially the same as that attached hereto in blank as Exhibit "A".

II. INVENTIONS.

A. Disclosure of Inventions. I acknowledge and agree that, among my other duties for the Company, I will be employed by the Company in a position which could provide the opportunity for conceiving and/or reducing to practice inventions, improvements, developments, ideas or discoveries, whether patentable or unpatentable (collectively hereinafter referred to as "Inventions"). Accordingly, I agree to promptly disclose to the Company in confidence, in writing, all Inventions conceived or reduced to practice by me while in the Company's employ, either solely or jointly with others, and whether or not during regular working hours. I further agree to maintain adequate and current written records of such Inventions.

B. Company Inventions. The assignment provisions in Paragraph C below shall apply only to "Company Inventions" as defined herein. Company inventions shall mean any invention that 1. relates, at the time of conception or reduction to practice of the Invention to (a) the Company's business, projects or products, or to the manufacture or utilization thereof, or (b) the actual or demonstrably anticipated research or development of the Company; or 2. results from any work performed directly or indirectly by me for the Company; or 3. results, at least in part, from my use of the Company's time, equipment, supplies, facilities or trade secret information;

PROVIDED, HOWEVER, THAT A COMPANY INVENTION SHALL NOT INCLUDE ANY INVENTION WHICH QUALIFIES FULLY UNDER THE PROVISIONS OF CALIFORNIA LABOR CODE SECTION 2870, INCLUDING ANY IDEA OR INVENTION WHICH IS DEVELOPED ENTIRELY ON MY OWN TIME WITHOUT USING THE COMPANY'S EQUIPMENT, SUPPLIES, FACILITIES OR TRADE SECRET INFORMATION, AND WHICH IS NOT RELATED TO THE COMPANY'S BUSINESS (ACTUAL OR DEMONSTRABLY ANTICIPATED), AND WHICH DOES NOT RESULT FROM WORK PERFORMED FOR THE COMPANY.

C. Assignment of Company Inventions. I agree to assign, and hereby do assign, to the Company all my right, title and interest in and to all Company Inventions. Also, I hereby assign, and agree to assign, to the Company all Inventions conceived or reduced to practice by me within one year following my termination of employment with the Company (voluntary or otherwise), if the Invention is a result of Company information obtained by me during my employment with the Company.

D. Execution of Necessary Documents. I agree that, upon request and without compensation therefor, but at no expense to me, and whether during the term of my employment or thereafter, I will do all lawful acts, including the execution of papers and lawful oaths and the giving of testimony, that in the opinion of the Company, its successors and assigns, may be necessary or desirable in obtaining, sustaining, reissuing, extending or enforcing United States and foreign Letters Patent, including Design Patents, on all of such Company Inventions, and for perfecting, affirming, maintaining or recording the Company's complete ownership and title thereto, and to otherwise cooperate in all proceedings and matters relating thereto.

E. Exceptions. I have listed in writing and provided to the Company information sufficient to identify all unpatented, but potentially patentable, ideas and inventions conceived by me before this employment (and which have not been assigned to a former employer) and which are, therefore, excluded from the scope of this Agreement.

III. COPYRIGHTS.

I agree that all right, title and interest in any and all copyrights, copyright registrations and copyrightable subject matter which occur as a result of my employment with the Company shall be the sole and exclusive property of the Company, and agree that such works comprise works made for hire. I hereby assign, and agree to assign, to the Company all right, title and interest in any and all copyrights (including all rights of reproduction), copyright registrations and copyrightable subject matter which occur as a result of my employment with the Company. I hereby irrevocably appoint the Company as my attorney-in-fact for the purpose of executing any and all documents and performing any and all other acts necessary to give effect and legality to the provisions of this Paragraph.

IV. CONFLICTING OBLIGATIONS AND RIGHTS.

A. Former Employment. I agree to inform the Company in writing of any obligations I may have to preserve the confidentiality of proprietary information or materials belonging to any former employer of mine or to any other party. I further agree that I will not make any illegal, proscribed or inappropriate use of any software, hardware, media, printed materials or other tangible materials of any kind from outside sources, including but not limited to my former employer(s).

B. Existing Rights. I agree to immediately inform the Company in writing of any existing proprietary rights I may claim in any patents, copyrights, works, trade secrets, trademarks, or other inventions or ideas, whether patentable or unpatentable. I agree never to bring any claim against the Company based on any pre-existing right not so identified.