# IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE PATENT TRIAL AND APPEAL BOARD

PRIME WIRE & CABLE, INC.	)	
Petitioner,	)	
	)	
<b>v.</b>	)	Case: IPR2018-01592
	)	Patent No.: 9,320,122
CANTIGNY LIGHTING	)	
CONTROL, LLC.	)	EXHIBIT 1018
	)	
Patent owner	)	
	)	
JASCO PRODUCTS, INC.	)	
	)	
Licensee	)	



## License Agreement

WHEREAS Cantigny Lighting Control, LLC ("CANTIGNY"), having a principal place of business at 2018 Dorset Drive, Wheaton, IL 60189, wishes to grant to Jasco Products Company ("JASCO"), having a principal place of business at 10 E. Memorial Rd., Oklahoma City, OK, 73114, a license for US Patents 9,226,373 and 9,320,122 ("LICENSED PATENTS"), and WHEREAS JASCO wishes to purchase from CANTIGNY such license, NOW THEREFORE they agree as follows:

#### I. Initial License Grant

In consideration for the payments set forth below, CANTIGNY grants to JASCO, a non-transferable, non-assignable license for the LICENSED PATENTS, to make, have made, use, sell, offer for sale and import products using at least one claim of one or more of the LICENSED PATENTS (LICENSED PRODUCTS) according to the following terms:

- (i) JASCO shall pay, starting with sales on January 1, 2017, a royalty of:
  - (a) of Net Sales for existing and future LICENSED PRODUCTS using LICENSED PATENT 9,226,373.
  - (b) of Net Sales for existing and future LICENSED PRODUCTS using LICENSED PATENT 9,320,122 (including future products that include dusk and dawn settings that use the LICENSED PATENT 9,320,122) other than LICENSED PRODUCTS that are referenced in (c) or (d) below.
  - (c) of net sales for LICENSED PRODUCTS that are LOW TIER PRODUCTS using LICENSED PATENT 9,320,122. LOW TIER PRODUCTS are high volume, low cost plug-in type products sold to supplement products described in (b) above and having reduced hardware features (such as fewer preset buttons and fewer outlets) leading to lower cost products relative to the other products described in (b).
  - (d) of Net Sales for LICENSED PRODUCTS that integrate the use of LICENSED PATENT 9,320,122 into JASCO lighting products with LED light sources. For instance, ENBRIGHTEN CAFÉ LIGHTS would be covered by this section should they integrate technology covered by the '122 Patent.
- (ii) The license to JASCO of the LICENSED PATENTS is exclusive. However, if JASCO shall pay CANTIGNY less than any calendar year for all LICENSED PRODUCTS for which a LICENSED PATENT applies, then the license for that LICENSED PATENT shall automatically become a non-exclusive license. For clarity, at present, there are two groups of products subject to the minimums, those which are the subject of the license of the '373 Patent, and those which are the subject of the license of the '122 Patent. The Parties agree JASCO may pay CANTIGNY any additional amount necessary to total in a calendar year on either LICENSED PATENT, and maintain exclusivity on the LICENSED PATENT, by sending the payment to CANTIGNY or before January 30th following the applicable calendar year.
- (iii) If JASCO shall pay CANTIGNY less than in any calendar year for all LICENSED PRODUCTS for which a LICENSED PATENT applies, CANTIGNY will have the option to terminate the license for that LICENSED PATENT by providing written notice to JASCO of



such termination, which shall be effective immediately upon receipt. Upon such termination, JASCO shall have the right to sell off any existing inventory of any LICENSED PRODUCTS for which such LICENSED PATENT applies subject only to its obligation to pay royalties thereon at the appropriate rate, but shall have no other rights (including rights to make, have made, or any other rights) under such LICENSED PATENT.

#### II. License Grant for Future Patents

- (i) Cantigny agrees to provide to JASCO, within 30 days of the filing, the patent application for any new patent applications related to lighting or lighting control products and having a priority date after the Effective Date of this Agreement.
- (ii) For any new patent outside of 100 Series family of patents that grants after the EFFECTIVE DATE of this Agreement, CANTIGNY shall notify JASCO of the new patent within 30 days of granting, and JASCO shall have a right of first refusal for a period of 60 days after the notification of the patent granting to take a license subject to the terms below for the new patent by informing CANTIGNY in writing, at which point the patent will become a new LICENSED PATENT. A patent "in the 100 Series family of patents" is any patent that claims priority, directly or indirectly, to US Patents 8,344,666, 8,344,667, and 8,446,263.
  - (a) JASCO shall pay a royalty of of net sales for LICENSED PRODUCTS using one or more new LICENSED PATENTS that are added to this Agreement pursuant to the right of first refusal option, unless otherwise negotiated and agreed to by the Parties. However, if a LICENSED PRODUCT uses PATENT 9,320,122 and also uses one or more new LICENSED PATENTS, JASCO shall pay a royalty of of Net Sales for the LICENSED PRODUCT, unless the LICENSED PRODUCT uses at least one claim of one or more of the new LICENSED PATENTS directed to a numeric keypad or a global positioning system (GPS) feature, in which case JASCO shall pay a royalty of Net Sales for the LICENSED PRODUCT.
  - (b) The license to JASCO of the new LICENSED PATENT shall be exclusive. However, if JASCO shall pay CANTIGNY less than in any twelve-month period beginning six months after JASCO exercises it option to license a new LICENSED PATENT for all LICENSED PRODUCTS for which the new LICENSED PATENT applies, the license for that new LICENSED PATENT shall automatically become non-exclusive.
  - (c) If JASCO shall pay CANTIGNY less than in any twelve-month period beginning six months after JASCO exercises its option to license a new LICENSED PATENT for all LICENSED PRODUCTS for which the new LICENSED PATENT applies, CANTIGNY will have the option to terminate the license for that new LICENSED PATENT by providing written notice to JASCO as set forth above.

### III. Patent Marking

JASCO agrees to mark each LICENSED PRODUCT for which a license is granted under this Agreement with the applicable patent number or numbers of the LICENSED PATENT(S). JASCO is not required to mark LICENSED PRODUCTS that have already been manufactured or in the process of being manufactured as of the Effective Date.



## IV. Royalty Payments

JASCO shall provide to CANTIGNY complete and accurate quarterly reports by e-mail to: john.king@jkinglawoffice.com within 30 days after each Calendar Quarter ending with the last day of March, June, September and December. Royalty payments are due for each quarter at the same time as each quarterly report and shall be made by wire transfer to

. JASCO shall provide

to CANTIGNY within 30 days of the signing of this Agreement, an advance payment of which shall be applied against royalties due in 2017.

Each quarterly report shall state:

- (a) the LICENSED PRODUCTS to which each LICENSED PATENT applies.
- (b) the number of each model of LICENSED PRODUCT sold or otherwise disposed of by JASCO during the Calendar Quarter with respect to which the report is due, and the Gross Sales associated therewith;
- (c) the Net Sales for the Calendar Quarter with respect to which the report is due. Net Sales shall be defined as the total sales of each model of LICENSED PRODUCT sold or otherwise disposed of by JASCO during the Calendar Quarter less any returns, promotions or discounts; and
- (d) the total dollar amount due based upon the royalty rate for the LICENSED PRODUCTS sold or otherwise disposed of by JASCO.

### V. General Provisions

This Agreement shall be construed in accordance with the laws of the State of Illinois without reference to conflicts of laws principles.

This Agreement has an EFFECTIVE DATE of the last to sign below.

JASCO shall maintain accurate records of all sales of LICENSED PRODCUTS, and CANTIGNY shall have the right to conduct an annual audit of the records to ensure that a payment for all royalties due is made. CANTIGNY shall provide advance notice of two weeks for the audit. In the event that an audit shall show a discrepancy of more than 5% in the amount of royalties due, the audit shall be at JASCO's cost, otherwise it shall be at CANTIGNY's cost.

JASCO agrees to indemnify, defend, and hold CANTIGNY harmless from and against all claims (including, without limitation, personal injury or product liability claims), suits, losses and damages, arising out of JASCO's manufacture, use, sale, or other disposal of LICENSED PRODUCTS, or out of any allegedly unauthorized use of any trademark, service mark, patent, copyright, process, idea, or method by JASCO or those acting under its authority.

JASCO shall have the right, but not obligation, to bring an action for patent infringement based upon a LICENSED PATENT for which JASCO has an exclusive license. CANTIGNY agrees to provide reasonable assistance in such action, but shall not be obligated to bring the action or to



bear any cost associated with such action. In the event that such a lawsuit shall result in the filing of an IPR or other post-grant challenge to any of the LICENSED PATENTS, JASCO agrees to defend such challenge at its sole cost. JASCO shall keep any settlements, judgements and awards arising from any suits it brings on the LICENSED PATENTS. The Parties agree to work together in good faith with respect to any legal claims asserted hereunder to ensure JASCO is vested with standing in order to proceed. However, JASCO shall have no right to grant any sub-license to a LICENSED PATENT without prior written consent.

CANTIGNY shall dismiss the lawsuit now pending in the Northern District of Illinois, Civil Case No. 16-CV-05794 by notice. Such dismissal shall be with prejudice as to JASCO.

CANTIGNY shall pay all USPTO fees necessary to maintain the LICENSED PATENTS so long as they are subject to this agreement, through their date of expiration.

The parties may amend this agreement in writing from time to time to include additional patents, or for any purpose. Any amendment to this agreement must be in writing, and signed by both parties.

In the event that an issue arises relating to this Agreement that the parties cannot resolve through good faith negotiations, such issue shall be finally resolved by binding arbitration conducted in Chicago, IL under the Arbitration Rules of the American Arbitration Association by a panel of (3) arbitrators including one arbitrator selected by each party. The parties will bear their own costs in preparing for the arbitration, and the costs of the arbitrators will be equally divided between the parties.

The terms of this Agreement are deemed confidential and shall not be disclosed to any Third-Party except as mutually agreed in writing, or: (i) as required by any court or governmental authority; (ii) as a responsive document to a discovery request propounded in a pending litigation or arbitration in which a protective order in in effect; or (iii) as otherwise required by law, governmental agency or public company reporting requirements. Prior to any court-ordered disclosure, the disclosing party must provide written notice to the other parties and provide the other parties with ten (10) business days to file any objections to the disclosure. Any court-ordered disclosure must be designated as confidential under any protective order governing production.

The rights and obligations of this Agreement shall automatically terminate as to the specific patents licensed hereunder when they expire as a matter of law or the claims applicable to LICENSED PRODUCTS are found to no longer be valid by a court or governmental agency with jurisdiction over the matter.

On behalf of CANTIGNY

On behalf of JASCO

John K

Date

Cameron Trice

Date

# DOCKET A L A R M

# Explore Litigation Insights



Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

# **Real-Time Litigation Alerts**



Keep your litigation team up-to-date with **real-time** alerts and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

# **Advanced Docket Research**



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

# **Analytics At Your Fingertips**



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

## API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

### **LAW FIRMS**

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

### **FINANCIAL INSTITUTIONS**

Litigation and bankruptcy checks for companies and debtors.

## **E-DISCOVERY AND LEGAL VENDORS**

Sync your system to PACER to automate legal marketing.

