

Terms of Engagement

We cannot and do not make representations to our clients as to the probability of ultimate success in their matters, and similarly we cannot guarantee any particular result. However, we will exert in good faith our ethical and professional efforts on our clients' behalf.

Patent Prosecution

In the event that our representation involves the preparation and prosecution of a patent application, a prior art search will not be performed unless it is expressly requested and instructed by our client. Thus, no representation can be made as to the presence of prior art that would render our client's invention unpatentable.

Our firm normally handles incoming patent application preparation in the order that each application is received and accepted as an assignment by one of our attorneys. Depending on the number of applications already pending before that assigned attorney on any given date, this practice of chronological sequencing may result in a delay in getting a first draft of the application to You because the attorney may not be immediately available to begin work on the assignment. Although our application sequencing process works very well for most clients, some clients choose to move out of chronological sequence and expedite application drafting by agreeing to pay the "expedited application drafting rate" in our current rate sheet, which will be provided upon request. Unless You request expedited drafting in writing, Your patent application(s) will be placed in chronological sequence and prepared according to our normal application drafting and timeline procedures.

Technology Subject Matter Issues

It is not unusual for a patent firm of our size to have existing firm clients with patent applications and issued patents in the same or similar-field of technology. It is possible that we may now, or might in the future, have patent applications we are handling for other firm clients that could potentially relate to the technology involved in patent applications that we might handle for You. In such an instance, as long as we reasonably believe that our representation of both You and/or the other client will not be adversely limited, we do not view a concurrent representation of clients in the same or similar technology fields as a breach of our duty to any of the clients involved.

We are sensitive to the business issues that concurrent representations might raise. Before signing this letter, please identify to us any third parties that You know of that we should not represent if we are to undertake representing You so that we can discuss the potential conflict. If You believe that our concurrent representation of any third party entity that You have not already identified to us as a competitor would be prejudicial to YOU at any time during our representation, please identify such third party to us in writing, with an explanation of the concern that You might have. We will then be able to address Your concern and take such steps as necessary to comply with our ethical duties.

You should also know that patent applications generally publish eighteen months after they are filed. These publications identify on the front page the patent firm that is handling each published application. We encourage You to monitor patent publications in Your technology field. If You see any application published from a third party competitor, or a party of concern to You, with our firm identified as the prosecuting firm, please contact us in writing immediately so that we can conduct a review and take any steps that might be necessary to ensure our compliance with ethical responsibilities.

In the rapidly changing business environment, we encourage You to keep us apprised of Your competitive position with regard to Your technology, Your competitors' technology, and Your business, so that we can effectively and ethically represent You in patent matters.

Personnel

One of the Managing Partners will have overall responsibility for the work the Firm performs for You. However, we may obtain the assistance of other lawyers in our firm (including lawyers who work in different areas) to represent You if in our professional judgment that becomes necessary or desirable.

Results

We cannot and do not make representations to You as to the probability of ultimate success in Your matter, and similarly we cannot guarantee any particular result. However, we will exert in good faith our ethical and professional efforts on Your behalf.

Communication

We will do our best to inform You of significant events that occur in those matters for which we have been retained. It is imperative that You keep us informed of Your current mailing address at all times so that we may inform You of any upcoming due dates and request Your instructions in a timely manner. A failure to keep our firm informed on how to contact You could result in adverse holdings or abandonment of Your matter.

Records

Although historically we have attempted to retain for a reasonable time copies of most documents generated by us, we cannot be held responsible in any way for failing to do so, and we hereby advise You that we will not be responsible or liable for failing to do so. You should retain all originals and copies You desire among Your own files for future reference. We will return to You, upon Your request, any original documents You provided to us.

Once litigation or prosecution is complete in a matter, or a matter is closed or abandoned by You, we will retain the matter file for three years. We will return the file contents only upon specific written request by You. Otherwise, the file materials may be destroyed.

Litigation Matters

If our representation involves litigation, we will need Your full cooperation, particularly in order to provide full discovery with respect to the causes of action alleged in such lawsuit. You must understand that if You fail to provide full discovery, the court may impose sanctions, including but not limited to striking Your defenses or claims and imposing monetary fines against You.

Insurance Coverage

It is possible that You may have insurance that could cover claims against You in litigation. We recommend that upon receiving notice of any litigation that You immediately conduct a review of Your insurance policies in consultation with counsel so that the appropriate notice may be given to Your carrier. Failure to provide proper notice could result in the loss of coverage or certain benefits under Your policy. Unless You specifically instruct us in writing to review and advise regarding potential insurance coverage and we accept that request, insurance coverage issues are not within the scope of our representation of You.

Fees

Fees are established through the exercise of judgment on each individual matter after considering a number of factors including the time and labor required, the novelty and difficulty of the issues involved, the skill required to perform the legal services properly, time limitations imposed by the client or by the circumstances, the experience, reputation and ability of the attorneys performing services, the amount involved and the results obtained through our services, the likelihood that such employment will preclude other employment, the fee customarily charged in the locality by others for similar services, and the nature and length of our relationship with the client.

Billing Practices and Payment

It is our practice to bill for matters such as Yours on a monthly basis, and payment of our statement is expected promptly upon receipt of the bill. In addition to reflecting the charges for the services of attorneys and paralegals, our statement will reflect costs incurred by the Firm in the rendition of its services, including long distance telephone charges, telecopy and telex charges, photocopying expenses, computerized legal and other research systems, messenger and special delivery services, and travel expenses and may include charges for extraordinary items which may be generated by the particular demands of the project involved.

Further, if out-of-pocket expenses to another party are incurred on Your behalf, the Firm may, and will for purposes of non-litigation-related matters as a default measure, advance reasonable and necessary expenses on Your behalf; and agree, as evidenced by Your signature below, to the addition of a handling fee of 6 % (six percent) of the full amount of the out-of-pocket expenses paid on Your behalf, in the ordinary course of our billing procedures. The handling fee shall be applied whenever out-of-pocket expenses are advanced on Your behalf.

In the alternative, the Firm may in its sole discretion, or at Your request, advise the party to whom out of pocket expenses will be incurred that You are retaining the party, for Your benefit, and that You will be directly and solely responsible for payment of all the party's fees and expenses. In that event, invoices from these parties will be sent directly to You for payment. The Firm has no responsibility for payment of these invoices, either directly, or as a surety. agree to these terms, as evidenced by its signature below. As an example, if parties such as experts or consultants are retained, or if other support services are required, e.g., court reporters, investigators, etc., these individuals or firms will be retained based upon Your agreement to be directly and solely responsible for paying the fees of

these individuals or firms, and You should make such payments promptly upon receipt of their invoices.

If You ever have a question about our billing procedures or statements, please do not hesitate to ask us. We prefer to address billing issues so that You fully understand our procedures and our statements and are satisfied with them. We want You to be candid with us if You have any concerns because we want our business relationship to be mutually rewarding.

Fee Estimates

If requested, we will attempt to estimate fees and expenses for the matters we are engaged to handle for You. However, actual fees and expenses incurred are a result of many conditions, a number of which are beyond our control, particularly when other parties are involved. Accordingly, an estimate should be viewed as only that.

Termination

You may terminate our employment at any time by notifying us in writing. Subject to compliance with applicable ethical considerations, we may also withdraw from our representation of You under certain circumstances by notifying You in writing. These circumstances include but are not limited to: if we have good cause for termination; if our withdrawal may be accomplished without a material adverse effect to Your interests; or if You fail substantially to fulfill an obligation to us, including Your obligation to pay fees and expenses to us as agreed. Upon termination of our representation, You will be obligated to pay the Firm for all services rendered and expenses incurred as of the date of receipt of the letter of termination.

ARBITRATION AGREEMENT

THIS AGREEMENT IS ENTERED INTO AND SHALL BE PERFORMED BY THE FIRM IN DALLAS, TEXAS, AND IT SHALL BE INTERPRETED IN ACCORDANCE WITH TEXAS LAW. WHILE WE WOULD HOPE THAT NO DISPUTE WOULD EVER ARISE OUT OF OUR REPRESENTATION OR THIS AGREEMENT, AND THE FIRM AGREE THAT UNLESS OTHERWISE SPECIFICALLY PROVIDED HEREIN, ANY DISPUTE (INCLUDING, ANY DISPUTE ABOUT THE SERVICES PERFORMED BY ANY ATTORNEY UNDER THIS AGREEMENT), CLAIM OR CONTROVERSY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH, TERMINATION, ENFORCEMENT, INTERPRETATION OR VALIDITY THEREOF, INCLUDING THE DETERMINATION OF THE SCOPE OR APPLICABILITY OF THIS AGREEMENT

TO ARBITRATE, SHALL BE DETERMINED BY ARBITRATION IN DALLAS, TEXAS BEFORE A PANEL OF THREE ARBITRATORS, EXCEPT, HOWEVER, THAT THIS AGREEMENT TO ARBITRATE DOES NOT APPLY TO ANY CLAIMS MADE BY THE FIRM FOR THE RECOVERY OF ITS FEES AND EXPENSES.

IN ACCORDANCE WITH STATE BAR OF TEXAS FAIR PRACTICE GUIDELINES FOR ARBITRATION, INCORPORATED HEREIN BY REFERENCE, THE ARBITRATORS SHALL BE NEUTRAL AND INDEPENDENT. EACH PARTY SHALL SELECT ONE ARBITRATOR AND THE SELECTED TWO SHALL SELECT A THIRD. IF THE DISPUTE CONCERNS A PATENT MATTER, THEN THE PARTIES SHALL EACH SELECT AN ARBITRATOR WHO IS A LICENSED MEMBER OF THE US PATENT BAR. THE SELECTED ARBITRATORS SHALL SELECT A CHAIR OF THE PANEL WHO SHALL BE A LICENSED MEMBER OF THE US PATENT BAR WITH AT LEAST FIFTEEN YEARS OF EXPERIENCE IN PATENT LITIGATION.

THE ARBITRATION SHALL BE ADMINISTERED IN ACCORDANCE WITH THE AMERICAN ARBITRATION ASSOCIATION. JUDGMENT MAY BE ENTERED IN THE APPROPRIATE DALLAS COUNTY COURT, AND SHALL BE FILED UNDER SEAL, IF AT ALL. THIS CLAUSE SHALL NOT PRECLUDE PARTIES FROM SEEKING PROVISIONAL REMEDIES IN AID OF ARBITRATION FROM A COURT OF APPROPRIATE JURISDICTION.