

CONFIDENTIAL SETTLEMENT AGREEMENT

THIS CONFIDENTIAL SETTLEMENT AGREEMENT (“AGREEMENT”) is entered into on March 4, 2015 (“EFFECTIVE DATE”), by and between:

- a) MacNeil Automotive Products Limited d/b/a Weathertech (“MACNEIL AUTOMOTIVE”), an Illinois corporation with its principal place of business located at 1 MacNeil Court, Bolingbrook, Illinois 60440;
- b) MacNeil IP, LLC (“MACNEIL IP”), an Illinois corporation with its principal place of business located at 1 MacNeil Court, Bolingbrook, IL 60440;
- c) Kramer America, Inc. (“KRAMER”), a Florida corporation with its principal place of business located at 3763 Mercy Star Court, Orlando, FL 32808; and
- d) Vandapac Company Limited (“VANDAPAC”), a foreign corporation organized and existing under the laws of Thailand with its principal place of business located at 93 Moo 15 Kingkaew Rd, Samut Prakarn, 10540, Thailand.

MACNEIL AUTOMOTIVE and MACNEIL IP are collectively referred to herein as “MACNEIL.” MACNEIL, KRAMER, and VANDAPAC are hereinafter referred to individually as a “PARTY” or, collectively, as the “PARTIES.”

WITNESSETH:

WHEREAS, MACNEIL AUTOMOTIVE filed Civil Action No. 11 CV 6337 in the United States District Court for the Northern District of Illinois (“THE LITIGATION”), asserting claims against KRAMER and VANDAPAC for patent infringement, unjust enrichment, Illinois common law unfair competition, trademark infringement, false advertising, federal unfair competition, the Illinois Deceptive Trade Practices Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act; and

WHEREAS, KRAMER asserted claims against MACNEIL in THE LITIGATION for Declaratory Judgments of patent noninfringement, patent invalidity, noninfringement of trade dress, invalidity of trade dress, and no unfair competition; and

WHEREAS, THE PARTIES now desire, in the spirit of cooperation, to amicably resolve and settle all claims and causes of action between the Parties, including, but not limited to the Action, with no admissions of wrong doing by any Party hereto, on the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the mutual promises and obligations recited herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the PARTIES agree as follows:

ARTICLE I - DEFINITIONS

1. **AFFILIATES** means, with respect to any PARTY, any Person directly or indirectly controlled by such PARTY. For the purposes of this definition, “control” when used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise; the terms “controlling” and “controlled” have meanings correlative to the foregoing. “PERSON” means an individual, a corporation, a partnership, a limited liability company, a joint venture, an association, a trust or other entity or organization.
2. **ASSERTED MACNEIL PATENTS** means United States Patent No. 6,735,819, United States Patent No. 7,686,370, United States Patent No. 8,267,459, United States Patent No. 8,336,944, United States Patent No. 8,336,945, and United States Patent No. 8,382,186.
3. **KRAMER’S FLOOR TRAY PRODUCT** means a product line of vehicle floor trays offered and sold by KRAMER, including the vehicle floor trays marketed under the marks MAXLINER and/or MAXFLOORMAT.
4. **KRAMER PREMODIFICATION FLOOR TRAYS** means the versions of KRAMER’S FLOOR TRAY PRODUCT that were the subject of MacNeil’s final infringement contentions and did not include both (i) sidewall baffles and (ii) split floor baffles. A representative example of a KRAMER PREMODIFICATION FLOOR TRAY is shown in Exhibit A.
5. **KRAMER POSTMODIFICATION FLOOR TRAYS** means any of KRAMER’S FLOOR TRAY PRODUCT that includes (i) sidewall baffles; (ii) split floor baffles; and (iii) the absence of a raised heelpad area and other raised step around the perimeter of the tray. A representative example of KRAMER’S FLOOR TRAY PRODUCT that includes (i) and (iii) is shown in Exhibit B. A representative example of a KRAMER POSTMODIFICATION FLOOR TRAY is shown in Exhibit C. For the avoidance of confusion, the raised heelpad and perimeter step referred to above are features that do not correspond to features of the vehicle model for which the floor tray is intended, and would not include floor tray features corresponding to features of the vehicle floor.
6. **MACNEIL FLOOR TRAY PATENTS** means all present and future patents issuing on applications claiming the benefit of priority, in whole or in part, of the filing date of United States Patent Application No. 10/976,411, including without limitation all ASSERTED MACNEIL PATENTS.
7. **MACNEIL TRADE DRESS** means any trade dress used in connection with MACNEIL’S WeatherTech FloorLiner products, including any trade dress asserted by MACNEIL against KRAMER and VANDAPAC in the LITIGATION.

**ARTICLE II - GRANT OF TRADE DRESS
LICENSE AND PATENT COVENANT NOT TO SUE**

8. Trade Dress License to KRAMER and its AFFILIATES. Subject to the terms herein, for PAYMENT under this AGREEMENT, MACNEIL hereby grants, and agrees to grant, for itself and its AFFILIATES, successors, assignees, heirs, devisees, divisions, subsidiaries, officers and directors, to KRAMER, and its AFFILIATES, a non-transferable, non-exclusive license, without right to sublicense, under the MACNEIL TRADE DRESS, to make, use, sell, offer to sell, import, market, advertise and distribute KRAMER POSTMODIFICATION FLOOR TRAYS and any KRAMER'S FLOOR TRAY PRODUCT that is substantially similar thereto with respect to the licensed MACNEIL TRADE DRESS. For clarification, no license is granted to non-KRAMER FLOOR TRAY PRODUCTS.

a) Quality control. Any vehicle floor tray manufactured, sold, offered for sale, advertised or distributed under this trade dress license shall have a quality that meets or exceeds minimum acceptable industry standards. MACNEIL has inspected a sample of a KRAMER POSTMODIFICATION FLOOR TRAY and acknowledges that KRAMER POSTMODIFICATION FLOOR TRAYS meet such standards and are acceptable to be advertised, marketed and sold under this license.

b) Quality Control Disputes. Any dispute regarding the quality of KRAMER'S FLOOR TRAY PRODUCT that is not substantially similar thereto shall be resolved by through binding arbitration by a neutral arbitrator mutually agreeable to MACNEIL and KRAMER. Any such arbitration shall be conducted pursuant to the AAA Commercial Arbitration Rules and shall take place in Chicago, Illinois and is subject to the rest of the provisions of this AGREEMENT.

9. Covenant Not to Sue and Non-Assertion of MACNEIL FLOOR TRAY PATENTS and MACNEIL TRADE DRESS against KRAMER and its AFFILIATES, Customers, and Manufacturers. Except as permitted by the operation of this AGREEMENT, MACNEIL will not seek to enforce any MACNEIL FLOOR TRAY PATENT or the MACNEIL TRADE DRESS (including through actions based on trade dress and unfair competition under the Lanham Act or state law) against (i) KRAMER or any of its AFFILIATES for the manufacture, use, offer for sale, sale, importation, marketing or distribution of any KRAMER POST MODIFICATION FLOOR TRAY; (ii) any customer of KRAMER based on any of KRAMER'S FLOOR TRAY PRODUCT acquired from KRAMER or any of its AFFILIATES before the EFFECTIVE DATE; (iii) any customer of KRAMER who acquired any KRAMER POSTMODIFICATION FLOOR TRAY from KRAMER or any of its AFFILIATES on or after the EFFECTIVE DATE; or (iv) any manufacturer of a KRAMER POSTMODIFICATION FLOOR TRAY manufactured for KRAMER. For clarification, no covenant is granted to non-KRAMER FLOOR TRAY PRODUCTS.

10. No Validity Challenge of MACNEIL FLOOR TRAY PATENTS. KRAMER, VANDAPAC and their respective AFFILIATES will not contest the validity of any

MACNEIL FLOOR TRAY PATENT before the United States Patent and Trademark Office or any other tribunal or court, and will not assist others in doing so, except as a defense to a patent claim asserted against them. Nothing in this provision shall prevent KRAMER, VANDAPAC and their respective AFFILIATES from (i) taking positions that may reflect on the validity of MACNEIL'S patents in a defense of their own patent rights, or (ii) taking positions that may reflect on the validity of MACNEIL'S patents in responding to office actions in the prosecution of their own patents, or in defending their own patent positions in any proceeding in the U.S. Patent Office or courts, or in the patent office or courts of any foreign jurisdiction.

11. Agreement regarding future commercial activity. The PARTIES agree not to use each other's respective trademarks set forth in Exhibit D as a trademark in advertising, including by purchase of such marks as search terms (e.g., Google AdWords). MACNEIL agrees to withdraw any pending complaints submitted to KRAMER's distributors and retailers, including eBay, pursuant to the terms of this AGREEMENT within ten (10) business days of the EFFECTIVE DATE, and the PARTIES agree not to serve notices of intellectual property violations relating to each other's respective products on the PARTIES' respective distributors and retailers, except in accordance with the notice provisions set forth in Paragraph 12.

12. Notice Provision Relating To Future Disputes. The PARTIES agree that any future civil action concerning the manufacture, advertising, importation or sale of any KRAMER FLOOR TRAY PRODUCT initiated by a PARTY or their AFFILIATES against another Party or their Affiliates may only be initiated after the Plaintiff in the future litigation has provided actual written notice to the Defendant in the future litigation at least 45 days prior to filing of the Complaint in which the Plaintiff in the future litigation outlines the factual and legal basis for the perceived wrongdoing. The PARTIES further agree not to serve notices of intellectual property violations relating to each other's respective products on the PARTIES' distributors and online retailers until after the expiration of the forty-five (45) day period. If after forty-five (45) days, the Defendant in the future case has not ceased the alleged conduct, the Plaintiff in the future case may pursue any available legal remedies, including the commencement of litigation and the service of notice on distributors and online retailers, subject to the following terms and conditions:

- a) If any notice letter is used as the basis for jurisdiction in a Declaratory Judgment ("DJ") action, the DJ plaintiff must also comply with the notice and grace period provision of this paragraph.
- b) Compliance with this Paragraph 12 shall not be used as proof of laches or undue delay.
- c) Failure to use reasonable efforts to comply with this Paragraph 12 shall constitute a breach of the terms of this AGREEMENT and subject the PARTY in breach to the payment of \$500,000 in liquidated damages to the other PARTY, such payment to be made within thirty days of the commencement of the lawsuit and such

payment is agreed to be a condition precedent for maintaining the lawsuit.

d) This Notice Provision and the consequences of noncompliance with this Paragraph 12 shall expire ten years (10) after signing of the AGREEMENT.

e) This Notice Provision and Paragraph shall not apply if a PARTY must seek immediate injunctive relief to prevent an irreparable harm that will be prejudiced by the delay envisioned in this Paragraph. However, if a PARTY institutes any action and does not, within two (2) business days file for a Temporary Restraining Order or any other type of immediate injunctive relief, said PARTY shall be in breach of this Notice Provision and Paragraph. A finding by a court that a motion for immediate injunctive relief is filed in bad faith shall be considered a breach of the notice provision and subject the party moving for immediate injunctive relief to the provisions of Paragraph 12(c).

f) KRAMER shall have the right, but not the obligation, to provide modified versions of the KRAMER FLOOR TRAY PRODUCT to MacNeil's designated counsel for confidential review. Within 30 days of receiving a request for review, MACNEIL'S counsel shall provide a notice letter pursuant to the provisions of this Paragraph 12 to KRAMER and identify any intellectual property rights of MACNEIL believed to be infringed. MACNEIL's counsel may confer with one MACNEIL corporate representative regarding the product and opinion, which information the corporate representative will maintain in confidence until the information is made public by KRAMER. KRAMER shall pay \$5,000 to a representative that MACNEIL designates within 15 days of the request for review for each review requested.

13. SELLOFF OF KRAMER PREMODIFICATION FLOOR TRAYS. KRAMER has informed MACNEIL that it has an existing stock of KRAMER PREMODIFICATION FLOOR TRAYS. KRAMER has set forth a comprehensive listing of this stock, by part number and number of trays, on Exhibit E. The PARTIES agree that KRAMER shall be allowed to sell these existing KRAMER PREMODIFICATION FLOOR TRAYS for a period of 18 months directly and immediately following the EFFECTIVE DATE of this AGREEMENT, without further compensation to MACNEIL, and that if so sold within this period, MACNEIL will not enforce any MACNEIL FLOOR TRAY PATENT or the MACNEIL TRADE DRESS against any proximate or remote purchaser of such existing KRAMER PREMODIFICATION FLOOR TRAYS. After that time period, KRAMER and/or VANDAPAC shall destroy any unsold KRAMER PREMODIFICATION FLOOR TRAYS and provide MACNEIL with an accounting of which KRAMER PREMODIFICATION FLOOR TRAYS have been sold and which have been destroyed. MACNEIL may ask for further information regarding this accounting and KRAMER and VANDAPAC shall provide MACNEIL with reasonable information and documents related to this Paragraph. Upon the signing of this AGREEMENT, VANDAPAC and KRAMER, and any of their AFFILIATES or those acting in concert with them, shall immediately cease and desist from the manufacture (or ordering or directing the manufacture) of any KRAMER PREMODIFICATION FLOOR

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