

## Settlement Transcript

Appellant, i.e. appellee	Kinik Company Address: 64 Zhongzheng Road, Yingge District, New Taipei City
Legal Representative	Bob LIN Address: Same as above
Agent ad-litem	Anna HWANG, Attorney-at-Law Da-Fa FENG, Attorney-at-Law Robert LEE, Attorney-at-Law
Agent	William LI, General Manager Address: 64 Zhongzheng Road, Yingge District, New Taipei City Thomas HSIEH, CEO Address: Same as above Chester LIN, Special Assistant Address: Same as above
Appellee, i.e. Appellant	Chien-Min SUNG Address: 4 Lane 32, Zhongzheng Road, Danshui District, New Taipei City
Agent ad-litem	Jeh-Ping CHANG, Attorney-at-Law

In the matter of appeal for confirmation of ownership of patents in 2019 Min-Zhuan-Shang-Geng-(I)-Zi No. 8 (against the judgment 2013 Min-Zhuan-Su-Zi No.104 dated 29 July 2016 by this Court), the parties have reached a settlement in the Third Courtroom of this Court at 2:30 p.m. on 13 August 2021. Below is the summary of the settlement:

Officials present at the hearing:

Commissioned judge	Ru-Chi TSAI
Court Clerk	Yu-Ting CHIU
Interpreter	Hong-Hsuan HSIA

Related parties present at the settlement hearing:

Anna HWANG, Attorney-at-law, agent for Kinik Company  
Robert LEE, Attorney-at-law, agent for Kinik Company  
Da-Fa FENG, Attorney-at-law, agent for Kinik Company  
Jeh-Ping CHANG, Attorney-at-law, agent for Chien-Min SUNG

Terms of Settlement:

Article 1. With regard to the patent rights listed in Schedule 1, the parties hereby agree:

1. Chien-Min Sung ("Sung") shall assign free of royalties and register those patent rights to Kinik Company ("Kinik"), and deliver the consent on patent assignment and other necessary documents to Kinik during the court hearing.
2. For purpose of completing the assignment and registration in the preceding paragraph, Sung shall, upon Kinik's request, furnish necessary assistances and sign necessary documents.
3. Kinik and its licensees shall not, based on the patent rights listed in Schedule 1, claim against Sung and his licensees (as named in Schedule 4) of the patents listed in Schedule 1. For those patents with Kinik as the sole or a joint inventor or applicant that are in any of the following circumstances, even if they are not listed in Schedule 1, Kinik and its licensees shall not claim against Sung and his licensees (as named in Schedule 4) of the patents listed in Schedule 1: (1) patents which claim priority based on, or cite as prior arts, or are counterparts of, any patent rights listed in Schedules 1 to 3; or (2) continuation applications, continuation-in-part applications, divisional applications, provisional applications, reissues, extensions, substitutions, renewals, oppositions, reexaminations, supplemental examinations, requests for continued examination and other examination procedures on the basis of any patent right listed in Schedules 1 to 3.

Article 2. With regard to the patent rights listed in Schedule 2, the parties hereby agree:

1. Kinik will not assert ownership to those patents and, in respect of five of those patents, agrees to sign a document entitled "U.S. PATENT ASSIGNMENT" (the photocopy thereof in Schedule 9) without prejudice to Kinik's rights under this settlement transcript.
2. For patents listed in Schedule 2, Sung agrees to grant a royalty-free, perpetual (but not beyond the life of the respective patents), irrevocable and nonexclusive license to Kinik for practice. The scope of the license includes the entire and maximum territory where the respective patents may be asserted and all their claims, and all acts of practice as defined in the patent laws of the countries wherein the respective patents are issued. Sung further agrees Kinik may unilaterally use this settlement transcript to apply for registration of the said license to the competent authorities of the countries wherein the respective patents are issued.
3. For patents which are registered to Applied Diamond Inc., Sung shall be responsible to obtain the consent letter issued by the said company agreeing to the following, and deliver the said letters to Kinik during the court hearing, and shall: (1) agree to license Kinik the right to practice these patents on the conditions stated in Paragraph 2 of this Article, and not to claim against Kinik based on these patents, or assert to any person that Kinik's diamond disc products have infringed the patent rights in Schedule 2; and (2) agree that Kinik may unilaterally use this settlement transcript and the said consent letters to apply for registration of the said license of these patents to the competent authorities of the countries wherein these patents are issued.
4. For purpose of completing the registration of license in the preceding paragraph, Sung shall, upon Kinik's request, furnish necessary assistances and sign necessary documents.

5. Sung's licensees shall not, based on the patent rights listed in Schedule 2, claim against Kinik, or assert to any person that Kinik's diamond disc products have infringed the patent rights in Schedule 2. For those patents with Sung as the sole or a joint inventor or applicant that are in any of the following circumstances, even if they are not listed in Schedule 2, the same shall apply: (1) patents which claim priority based on, or cite as prior arts, or are counterparts of, any patent rights listed in Schedules 1 to 3; or (2) continuation applications, continuation-in-part applications, divisional applications, provisional applications, reissues, extensions, substitutions, renewals, oppositions, reexaminations, supplemental examinations, requests for continued examination and other examination procedures on the basis of any patent right listed in Schedules 1 to 3.

Article 3. With regard to the patents and patent applications listed in Schedule 3, the parties hereby agree:

1. Sung shall refrain from performing any act that would change the current status or patentees or applicants of those patents.
2. Article 2 shall apply to any of those patents which has already been or later becomes issued or reinstated.

Article 4. Sung agrees not to claim against Kinik or its licensees for infringement of any patent in any country, whether or not the patent is listed in a Schedule to this settlement transcript, and regardless of by or to whom the patent is applied for and issued. Notwithstanding, if a situation under Article 6 of the MOU on Patent License dated 13 August 2021 arises, Sung may request Kinik to pay royalties based on the said MOU.

Article 5. Kinik and Sung agree to instruct their respective US counsels to execute the documents as shown in Schedule 5-1 to conclusively dismiss the patent-related cases in the US, as listed in Schedule 5, and to submit the same respectively to the authority where each of the said cases is pending. Kinik and Sung agree to withdraw their respective complaints to dismiss and the cases pending at Taiwan's Supreme Court, as listed in Schedule 6, and shall each deliver the withdrawal papers and other necessary documents to the other party during the court hearing. Kinik and Sung agree to close the cases pending at this Court, as listed in Schedule 7, by way of a settlement in court in identical terms to this settlement transcript. For Kinik's lodged security bonds, as listed in Schedule 8, Sung hereby represents to waive his rights thereto, and hereby states that he agrees the court lodgement offices may return these lodged security bonds to Kinik. For purpose of completing such withdrawal and return of lodged security bonds, Sung shall, upon Kinik's request, furnish necessary assistances and sign necessary documents.

Article 6. Kinik agrees to, on the same date the parties sign this settlement transcript, deliver to Sung a demand check in an amount of NTD 117,604,183 (having deducted 10% withholding income tax) in consideration of and in exchange for Sung's performance of his obligations under Articles 1 to 5.

With Sung's agreement at the hearing, by signing here, Sung's agent ad-litem, Jeh-Ping Chang, Attorney-at-law, acknowledges the receipt thereof on Sung's behalf: [*Signature of Jeh-Ping CHANG, Attorney-at-law, and SUNG*]

Article 7. The parties will sign an MOU on Patent License concurrently when they sign this settlement transcript. In respect of such patents for which Kinik shall pay royalties based on the said MOU, the terms of license under the said MOU shall apply if and to the extent that they are different from those in this settlement transcript.

Article 8. All other claims by the parties are abandoned.

Article 9. Below are the Schedules to this settlement transcript:

Schedule 1: List of assigned patents.

Schedule 2: List of licensed patents.

Schedule 3: List of other patents.

Schedule 4: List of Sung's licensees.

Schedule 5: List of patent-related cases in the US.

Schedule 5-1: Dismissal papers of patent-related cases in the US.

Schedule 6: List of cases pending at Taiwan's Supreme Court.

Schedule 7: List of cases pending at this Court.

Schedule 8: List of Kinik's lodged security bonds.

Schedule 9: List and photocopies of documents to be delivered by either party during the court hearing.

By signing here, the parties acknowledge receipt of the above Schedules at the hearing:  
[Signature of Anna HWANG, Attorney-at-law]

After reviewing the above transcript, the parties signing below confirm the accuracy of the transcript:

Agent ad-litem for Kinik Company: [Signature of Anna HWANG, Attorney-at-law]

Agent ad-litem for Kinik Company: [Signature of Da-Fa FENG, Attorney-at-law]

Agent ad-litem for Kinik Company: [Signature of Robert LEE, Attorney-at-law]

Agent for Chien-Min SUNG: [Signature of Jeh-Ping CHANG, Attorney-at-law, and SUNG]

First Intellectual Property Division, Intellectual Property and Commercial Court

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## 和 解 筆 錄

上訴人即被 中國砂輪企業股份有限公司  
上訴人 設新北市鶯歌區中正路64號  
法定代理人 林伯全 住同上  
訴訟代理人 黃麗蓉律師  
馮達發律師  
李彥群律師  
代 理 人 李偉彰 (總經理)  
住新北市鶯歌區中正路64號

謝榮哲 (執行長)  
住同上  
林鴻均 (特助)  
住同上

被上訴人即 宋健民 住新北市淡水區中正路32巷4號  
上訴人  
訴訟代理人 張澤平律師

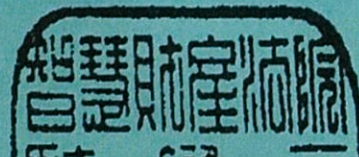
19 上列當事人間108 年度民專上更(一)字第8 號確認專利權等上訴事  
20 件：(原審本院102 年度民專訴字第104 號中華民國105 年7 月  
21 29日判決)於中華民國110 年8 月13日下午2 時30分在本院第三  
22 法庭和解成立，茲記其大要如下：

23  
24 出席職員：

25 受命法官 蔡如琪  
26 書記官 邱于婷  
27 通 譯 夏鴻暄

28  
29 到庭和解關係人：

30 中國砂輪公司訴訟代理人黃麗蓉律師  
31 中國砂輪公司訴訟代理人李彥群律師



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