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IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS, AUSTIN DIVISION

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NANO-PROPRIETARY, INC.,
a Texas corporation
3006 Longhorn Boulevard, Suite 107
Austin, Texas 78758-7631
Plaintiff

v.

CANON, INC.,
a Japanese corporation
30-2, Shimomaruko 3-chome
Ohta-ku, Tokyo 146-8501
Japan
Defendant

and

CANON U.S.A., INC.
a New York corporation
One Canon Plaza
Lake Success, New York 11042
Defendant.

Civil Action No.

A05CA 258 SS

COMPLAINT

JURY TRIAL DEMANDED

Plaintiff Nano-Proprietary, Inc., ("Nano-Proprietary"), by counsel, complains and alleges as follows:

Parties

1. Plaintiff Nano-Proprietary is a Texas corporation with its principal place of business at 3006 Longhorn Boulevard, Suite 107, Austin, Texas 78758-7631. Prior to July 1, 2003, the corporation conducted business under the name SI Diamond Technology, Inc. (hereinafter "Nano-Proprietary").

2. Defendant Canon, Inc. (hereinafter "Canon"), is a Japanese corporation located at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan. Upon information and belief, Canon produces color and black-and-white copiers, printers, image filing systems, facsimile

machines, cameras and lenses, camcorders, optical equipment, flatbed scanners, and other specialized industrial products.

3. Defendant Canon U.S.A., Inc., (hereinafter “Canon U.S.A.”), is a New York corporation with its principal place of business located at One Canon Plaza, Lake Success, New York 11042. Upon information and belief, Canon U.S.A. is a wholly-owned subsidiary of Canon and is the conduit through which Canon’s products reach U.S markets, including Texas.

Jurisdiction and Venue

4. This Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1332, 1338(a), and 1367 because the amount in controversy exceeds Seventy-Five Thousand Dollars (\$75,000.00), exclusive of costs, and the controversy is between citizens of different States and in which a citizen of a foreign state is an additional party.

5. Venue is proper in this district pursuant to 28 U.S.C. § § 1391(b), (c) and (d).

6. Defendants are subject to the personal jurisdiction of this Court because this action is based upon a licensing agreement entered into and partially performed in the State of Texas and defendants have transacted, and are planning to transact business in the State of Texas. Tex. Civ. Prac. & Rem. Code § 17.042.

Facts

7. Plaintiff Nano-Proprietary is the developer and owner of patented technology pertaining to electron field emission display devices, including the United States electron field emission patents listed in Exhibit A to the Patent License Agreement between defendant Canon and plaintiff (the “Agreement”). A true copy of the Agreement is attached hereto as Exhibit 1. The practice of this patented technology is necessary for the production of certain flat panel displays for color television sets and other valuable commercial applications.

8. Upon information and belief, in 1999 Canon initiated joint development activities with Toshiba Corporation (“Toshiba”), a Japanese corporation and leading manufacturer of color televisions for sale in the United States and elsewhere, with the aim of developing and commercializing a Surface Conduction Electron Emitter Display (“SED”) color television. These color televisions will incorporate Nano-Proprietary’s patented electron field emission technology.

9. On or about March 26, 1999, Canon negotiated and entered into the Agreement with Nano-Proprietary for a nonexclusive and limited license to Nano-Proprietary’s electron field emission patents. At that time, Canon did not manufacture color televisions and had no disclosed plans to begin manufacturing color televisions. At no time during the negotiations did Canon disclose to plaintiff its intended or actual activities with Toshiba to form a joint venture for the purpose of developing and commercializing SED color televisions and exploiting plaintiff’s patented technology in a manner inconsistent with the intent and terms of the Agreement.

10. Pursuant to Paragraph 2.1 of the Agreement, Nano-Proprietary granted a limited, non-exclusive license to Canon and certain Canon subsidiaries, without the right to sublicense.

11. Paragraph 1.7 of the Agreement defines the “LICENSED PRODUCTS” that Canon and its subsidiaries may make and sell as not including certain “EXCLUDED PRODUCTS.” Paragraphs 1.5 and 1.6 of the Agreement define “EXCLUDED PRODUCTS” and exclude from the “LICENSED PRODUCTS” color displays used in television sets and computer monitors.

12. In September of 2004, Canon and Toshiba announced the formation of a joint venture called SED, Inc., for the development, production and marketing of displays for SED

color televisions, with production scheduled to begin in August of 2005. SED, Inc. is not a Canon subsidiary within the meaning of Paragraph 1.3 of the Agreement and is therefore not licensed thereunder. According to published reports, Toshiba intends to receive display screens for color televisions from SED, Inc. for sale in the United States under the Toshiba brand name. Under Paragraph 2.2 of the Agreement the license grant does not extend to Toshiba for such transfers, and any sales by Toshiba of such transferred SED display screens for color televisions, or otherwise is unlicensed.

13. Upon information and belief, during its joint venture negotiations with Toshiba and thereafter, Canon misrepresented its right and authority to sublicense plaintiff's patented technology to Toshiba. This material misrepresentation interfered with plaintiff's own efforts to license its patented technology to Toshiba.

14. On or about September 14, 2004, Sunichi Uzawa, a Canon Director and Group Executive, stated that Canon was inviting other firms interested in plaintiff's electron field emission technology to join with Canon "because we want to be the top ranked flat display panel maker group." Canon's solicitation of other firms to join its "group" constitutes an attempt to sublicense Nano-Proprietary's patented technology to others in violation of the Agreement. Upon information and belief, as part of its solicitation of other interested firms, Canon misrepresented its right and authority to sublicense plaintiff's patented technology. This solicitation and material misrepresentation interferes with plaintiff Nano-Proprietary's ability to license its electron field emission patents to interested firms.

15. In October of 2004, Toshiba and defendant Canon displayed working SED color televisions at the Combined Exhibition of Advanced Technologies ("CEATEC") trade show in Japan for the purpose of generating consumer interest in the product. These SED color

televisions are not licensed products under the Agreement, although Canon asserts that they are licensed products under the Agreement.

16. In January of 2005, defendants and Toshiba displayed a working SED color television at the 2005 Consumer Electronics Show (“CES”) in Las Vegas, Nevada for the purpose of generating consumer interest in the product in the United States. This SED color television is not a licensed product under the Agreement, although Canon asserts that it is a licensed product under the Agreement.

17. SED, Inc.’s President announced its plan to produce and market SED display panels for color televisions for world-wide markets, including the United States, by August 2005. Canon U.S.A. confirmed its plans to launch SED flat panel display technology in the United States. Canon and Toshiba have each stated that they intend to market SED color televisions under their respective brand names.

18. The SED color televisions the defendants are preparing to sell in the United States in the coming months, including the State of Texas, are not licensed products under the Agreement.

19. After the announcement of the Canon/Toshiba joint venture, plaintiff contacted Toshiba to advise that the SED color televisions that Toshiba planned to sell in the United States utilize Nano-Proprietary’s patented technology and require a license from Nano-Proprietary. Plaintiff offered to commence licensing negotiations with Toshiba at the time. Toshiba refused and referred plaintiff to Canon as the appropriate party for such discussions.

20. On or about February 11, 2005, plaintiff notified Canon that its SED color televisions utilize Nano-Proprietary’s patented technology and that sales in the United States require a license from Nano-Proprietary. Nano-Proprietary requested that Canon enter into

negotiation for a license before February 28, 2005. As of the date of this filing, Canon has refused to negotiate a license of Nano-Proprietary's patented electron field emission display technology for its SED color televisions.

21. On or about March 24, 2005, in response to plaintiff's February 11, 2005 notice and request, Canon asserted that "without doubt, color televisions having a SED, Inc. display fall within the definition of 'Licensed Products', and are licensed under the SI Diamond patents."

COUNT I Declaratory Judgment

22. Plaintiff Nano-Proprietary repeats and re-alleges each and every allegation contained in paragraphs 1-21 as though fully set forth herein.

23. Pursuant to 28 U.S.C. § 2201 and Fed. R. Civ. P. 57, the Court may declare the rights and relations between the parties when there is an actual controversy. There presently exists between the plaintiff and defendants an actual controversy.

24. Plaintiff seeks a declaration of the parties' rights under the Agreement. Specifically, plaintiff seeks a declaration that SED panels, SED color televisions, and/or other SED products are "EXCLUDED PRODUCTS" under Paragraphs 1.5 and 1.6 of the Agreement, and are not "LICENSED PRODUCTS" under Paragraphs 1.7 and 2.1 of the Agreement.

25. Plaintiff seeks a further declaration that defendants' importation, use, marketing, and imminent sale and offer to sell SED color televisions and/or other SED products in the United States is without license under the terms of the Agreement.

26. Plaintiff also seeks a declaration that the purported Canon/Toshiba joint venture, SED, Inc., is not a Canon subsidiary within the meaning of Paragraph 1.3 of the Agreement.

27. Plaintiff seeks further a declaration that Paragraph 2.2 of the Agreement extends the license grant only to defendant Canon's and its actual subsidiaries' suppliers, distributors,

dealers, agents, customers and users, but not to any other third parties such as SED, Inc., Toshiba and other firms that are interested in the patented technology.

COUNT II
Breach of Contract

28. Plaintiff Nano-Proprietary repeats and re-alleges each and every allegation contained in paragraphs 1- 27 as fully set forth herein.

29. Paragraph 2.1 of the Agreement expressly provides that defendant Canon and its subsidiaries do not have the right to sublicense plaintiff's patents licensed under the Agreement.

30. Canon has effectively sublicensed plaintiff's patents to SED, Inc. and/or Toshiba by virtue of its purported joint venture with Toshiba to manufacture and sell SED panels for color televisions as "LICENSED PRODUCTS" under the Agreement.

31. Canon has announced its intention to invite other firms interested in plaintiff's technology to join its "group," thereby effectively sublicensing them under plaintiff's patents.

32. Nano-Proprietary does not consent to Canon's purported sublicense of plaintiff's patents to SED, Inc., Toshiba, or any other firm interested in plaintiff's patented technology.

33. Defendant Canon's sublicense of plaintiff's patents to Toshiba, SED, Inc., and any future sublicense to others, without the written consent of Nano-Proprietary, constitutes a breach of the terms of the Agreement.

34. The foregoing constitutes a material breach and/or anticipatory breach of the Agreement.

35. As a direct and proximate result thereof, Nano-Proprietary has suffered, and will suffer, damages.

COUNT III
Violation of the Lanham Act
(15 U.S.C. § 1125(a)(1))

36. Plaintiff Nano-Proprietary repeats and re-alleges each and every allegation contained in paragraphs 1-35 as fully set forth herein.

37. Upon information and belief, Canon made false and misleading statements of fact in interstate commerce concerning its right and authority to sublicense plaintiff's patented technology to Toshiba and others.

38. Canon's misrepresentations did deceive and/or would likely deceive Toshiba and other firms interested in plaintiff's patented technology.

39. Canon's misrepresentations are material to Toshiba's joint venture agreements with Canon and Toshiba's refusal to negotiate with plaintiff a license for plaintiff's patented technology.

40. Canon's misrepresentations are material to the decision of other firms interested in plaintiff's patented technology to negotiate with plaintiff a license for plaintiff's technology.

41. As a direct and proximate result of Canon's misrepresentations, plaintiff has suffered, and will suffer, damages.

COUNT IV
Tortious Interference With Prospective Business Relations

42. Plaintiff Nano-Proprietary repeats and re-alleges each and every allegation contained in paragraphs 1-41 as full set forth herein.

43. Canon negotiated with Toshiba to establish a joint venture, SED, Inc., specifically designed to exploit plaintiff's patented electron field emission technology in a manner known to be inconsistent with the intent of the Agreement and its terms. Canon failed to disclose either the material fact of its negotiations with Toshiba, or Canon's plans to form the joint venture.

44. Canon misrepresented its right and authority to sublicense to Toshiba plaintiff's patented technology. Canon's misrepresentations were material to Toshiba's joint venture agreements with Canon and Toshiba's refusal to negotiate with plaintiff a license for plaintiff's technology.

45. Under the joint venture agreement with Toshiba, Canon effectively sublicensed plaintiff's patented technology to the joint venture and/or Toshiba.

46. Canon's effective sublicense to its joint venture and/or Toshiba has interfered with plaintiff's ability to negotiate its own license for its patented technology with Toshiba.

47. Canon announced its intention to solicit other firms interested in plaintiff's patented technology to join Canon and/or its joint venture, SED, Inc., for the purpose of exploiting the plaintiff's patented technology. As part of its solicitation, Canon misrepresented its right and authority to sublicense plaintiff's patented technology.

48. Canon's solicitation and material misrepresentations to other firms interested in plaintiff's patented technology has interfered with plaintiff's ability to negotiate licenses for such patented technology with such interested firms.

49. Canon has no justification or excuse of privilege for its actions.

50. As a direct and proximate result of Canon's misrepresentations, plaintiff has suffered, and will suffer, damages.

COUNT V
Breach of the Covenant of Good Faith and Fair Dealing

51. Plaintiff Nano-Proprietary repeats and re-alleges each and every allegation contained in paragraphs 1- 50 as fully set forth herein.

52. Under the Agreement, as construed in accordance with the laws of the State of New York, defendant Canon owes to plaintiff an implied duty of good faith and fair dealing.

53. Canon breached the covenant by the foregoing conduct, including but not limited to (a) misrepresenting its right and authority to sublicense plaintiff's patented technology to Toshiba and others; (b) effectively sublicensing plaintiff's patents to third parties such as SED, Inc. and Toshiba; and (c) without plaintiff's knowledge, engaging in negotiations with Toshiba to establish, and establishing, a purported joint venture specifically designed to exploit plaintiff's patented electron field emission technology in a manner known to be inconsistent with the intent of the Agreement and its terms.

54. As a direct and proximate result thereof, Nano-Proprietary has suffered, and will suffer, damages.

Prayer For Relief

WHEREFORE, plaintiff respectfully urges judgment and relief against the defendants as follows:

a. A Declaratory Judgment that SED displays, SED color televisions, and/or other SED products are EXCLUDED PRODUCTS under the terms of the Agreement and are not LICENSED PRODUCTS thereunder;

b. A Declaratory Judgment that defendants' manufacture and sale of SED displays, SED color televisions, and/or other SED products are not licensed by plaintiff;

c. A Declaratory Judgment that the purported Canon/Toshiba joint venture, SED, Inc., is not a Canon subsidiary within the meaning of Paragraph 1.3 of the Agreement;

d. A Declaratory Judgment that the license granted under the Agreement extends only to defendant Canon and its actual subsidiaries, and does not extend to Toshiba, or other third parties who are not Canon's or its actual subsidiaries' suppliers, distributors, dealers, agents, customers or users;

e. A Permanent Injunction enjoining defendants' conduct in breach of the Agreement, as this Court may deem proper, just, and equitable under the circumstances;

f. A Permanent Injunction prohibiting defendants from misrepresenting their authority to sublicense plaintiff's patented technology;

g. Damages and other appropriate relief pursuant to 15 U.S.C. § 1117 and the common law of Texas;

h. All expenditures required to correct false and misleading statements alleged herein;

i. Treble damages in accordance with 15 U.S.C. § 1117;

j. Exemplary and punitive damages as appropriate to punish past willful conduct and to deter future willful conduct;

k. Costs, expenses and reasonable attorneys fees incurred by the plaintiff;

l. Pre-judgment and post-judgment interest on the foregoing sums; and

m. Such other and further relief as this Court may deem proper, just, and equitable under the circumstances.

Jury Demand

Plaintiff demands trial by jury of its claims against the defendants.

Dated: April 11, 2005

Respectfully submitted,

BROWN McCARROLL, L.L.P.
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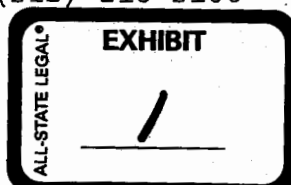
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ATTORNEYS FOR NANO-PROPRIETARY, INC.

PATENT LICENSE AGREEMENT
between
SI DIAMOND TECHNOLOGY, INC.
and
CANON INC.

Fitzpatrick, Cella, Harper & Scinto
30 Rockefeller Plaza
New York, New York 10112
(212) 218-2100



PATENT LICENSE AGREEMENT

THIS PATENT LICENSE AGREEMENT (hereinafter "AGREEMENT"), effective as of March 26, 1999, is made and entered into by and between SI DIAMOND TECHNOLOGY, INC., a corporation organized and existing under the laws of the State of Texas, having its principal place of business at 3006 Longhorn Boulevard, Suite 107, Austin, Texas 78758, United States of America (hereinafter "SIDT") and CANON INC., a corporation organized and existing under the laws of Japan, having its principal place of business at 30-2, Shimomaruko 3-chome, Ohta-ku, Tokyo 146-8501, Japan (hereinafter "CANON"), sometimes each referred to hereinafter as a "party" and sometimes jointly referred to hereinafter as the "parties" to this AGREEMENT.

W I T N E S S E T H:

WHEREAS, SIDT is now the owner of certain existing patents pertaining to electron field emission display technology and expects hereafter to obtain further patents to such technology -- such existing and further patents being collectively defined hereinafter as LICENSED PATENTS; and

WHEREAS, CANON is desirous of acquiring a nonexclusive license, nonassertion and release as hereinafter described under such LICENSED PATENTS, and SIDT is willing to grant such license, nonassertion and release to CANON under the terms and conditions set forth in this AGREEMENT.

NOW, THEREFORE, in consideration of the foregoing, the covenants herein contained, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, SIDT and CANON agree as follows:

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ARTICLE 1 - DEFINITIONS

In this AGREEMENT, the following capitalized words and phrases shall have the respective meanings as set forth below:

1.1 "EFFECTIVE DATE" shall mean the date first above written, subject to full execution hereof by the parties.

1.2 "TERM" shall mean the time period specified in Article 3 herein.

1.3 "SUBSIDIARY" shall mean any corporation, company or other entity as to which a party, now or hereafter at any time during the TERM of this AGREEMENT:

(a) owns or controls directly or indirectly more than fifty percent (50%) (by nominal value or number of units) of the outstanding stock conferring the right to vote at general meetings; or

(b) has the right to elect the majority of the board of directors or its equivalent; or

(c) has the right directly or indirectly to appoint or remove management; but such corporation, company or other entity shall be deemed to be a SUBSIDIARY only so long as such ownership or control exists.

1.4 "ELECTRON FIELD EMISSION DISPLAY DEVICE" shall mean a display device having an electron emitting display panel which comprises (a) electron emitting devices each of which emits electrons when subject to a predetermined electric potential difference and (b) phosphor spaced with or without one or more spacers from the electron emitting devices; (i) wherein the display device may further comprise elements, parts, components, subassemblies, subsystems, modules, units, accessories and software designed for

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incorporation or use in or for use with the display device, including without limitation, a drive circuit, an image interface and a control circuit device; (ii) wherein the electron emitting display panel may further comprise an acceleration electrode to accelerate the electrons emitted from the electron emitting devices, a getter and/or other instrumentalities; (iii) wherein the drive circuit may comprise a circuit to apply drive signals to the electron emitting devices, a circuit to apply to the acceleration electrode an electric potential for acceleration, a driver, a carrier package with a driver, a driver circuit board and/or other instrumentalities; (iv) wherein the image interface may comprise a circuit to receive an image signal and/or image information from the outside, a receiver circuit, a separator circuit, a decoder circuit and/or other instrumentalities; and (v) wherein the control circuit device may comprise a circuit device to control the driver circuit, a sensor, controller, CPU, memory, a power source control circuit and/or other instrumentalities.

1.5 "EXCLUDED ELECTRON FIELD EMISSION DISPLAY MODULE" shall mean an electron emission display module of an electron field emission type, having (a) a faceplate with an image display frame segmented into $M \times N$ (wherein M and N are integers greater than one) pixel units arranged in neighboring contact, without any substantial space, with each other in a matrix array so that there are M pixel units in the horizontal or row direction and N pixel units in the vertical or column direction, each pixel unit A_{ij} ("i" is a suffix to show the i -th row and "j" is a suffix to show the j -th column) having the same predetermined geometric (square, rectangular, polygon, round, oval etc.) shape and size and the geometrical center of gravity of each of said $M \times N$ pixel units meeting with the corresponded lattice point of $M \times N$ matrix, and said each pixel unit consisting of a red phosphor

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surface element, a green phosphor surface element, a blue phosphor surface element and a black matrix surrounding each of such red, green and blue phosphor surface elements without any substantial space therebetween, the red, green and blue phosphor surface elements being arranged closely to and neighboring each other with the black matrix therebetween, the red, green and blue phosphor elements being in the same order in each pixel unit A_{ij} such that the red, green and blue phosphor elements are arranged repeatedly and regularly without variation throughout the entire image display frame; and (b) a cathode plate for supporting a cathode surface facing the image display frame and segmented into $M \times N$ (where M and N are the same as those of the pixel units) cathode units arranged in neighboring contact, without any substantial space, with each other in a matrix array substantially the same as the pixel unit array so that there are M cathode units in the horizontal or row direction and N cathode units in the vertical or column direction, each cathode unit B_{ij} ("i" is a suffix to show the i-th row and "j" is a suffix to show the j-th column) having the same predetermined geometric (square, rectangular, polygon, round, oval, etc.) shape and size and the geometrical center of gravity of each of said $M \times N$ cathode units meeting with the corresponded lattice point of $M \times N$ matrix, and said each cathode unit comprising electron emission sites provided respectively for the respective red, green and blue phosphor elements of a pixel unit A_{ij} to energize such red, green and blue phosphor elements respectively and independently, each site emitting electrons when subject to a predetermined electric potential difference, the faceplate and the cathode plate being arranged such that the pixel unit A_{ij} is spaced from the cathode unit B_{ij} ; and (c) wherein the display module may further have an extraction grid arranged between the faceplate and the cathode plate to cover the entire cathode surface, to which extraction grid an electric potential to

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cause electrons emitted from the electron emission sites is applied; and (d) wherein the display module may further have a focus grid arranged between the extraction grid and the faceplate to focus the electrons passing through the extraction grid onto the pixels of the image display frame; wherein (i) the cathode plate, extraction grid (if utilized), focus grid (if utilized) and faceplate are arranged and closed in a glass sealed vacuum enclosure so that the pixel unit A_{ij} having the same row and column suffix numbers i and j as that of the cathode unit element B_{ij} is positioned right above such cathode unit B_{ij} and the electrons emitted from such cathode unit B_{ij} energize only the phosphor surface elements of such pixel unit A_{ij} having the same row and column suffix numbers i and j as that of the said cathode unit B_{ij} ; wherein (ii) the display device module is specifically designed with the glass enclosure having side surfaces and the glass enclosure, faceplate and image display frame having almost the same size so that when a plurality of the display device modules are arranged in rows and columns, with the respective side surfaces of the respective glass enclosures closely neighboring each other and forming a large picture frame, breaks between the image display frames are used for insulation and/or protection between the image display frames; wherein (iii) the shortest distance between the geometrical centers of gravity of any two phosphor surface elements of a same color is five millimeters (5mm) or greater and the shortest distance between the geometrical centers of gravity of any two neighboring pixel units is five millimeters (5mm) or greater; wherein (iv) the shortest distance between the geometrical centers of gravity of any two neighboring cathode units is five millimeters (5mm) or greater; and wherein (v) the normal passing through the geometrical center of gravity of the pixel unit A_{ij} coincides with the normal passing through the geometrical center of gravity of the cathode unit B_{ij} having the same row and

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column suffix numbers as that of the said pixel unit A_{ij} and paired with such unit A_{ij} .

1.6 "EXCLUDED PRODUCTS" shall mean an EXCLUDED ELECTRON FIELD EMISSION DISPLAY MODULE and a matrix array of regularly arranged EXCLUDED ELECTRON FIELD EMISSION DISPLAY MODULES.

1.7 "LICENSED PRODUCTS" shall mean (a) all electron field emitting display panels; (b) all ELECTRON FIELD EMISSION DISPLAY DEVICES; (c) all products of any form, type or kind having an ELECTRON FIELD EMISSION DISPLAY DEVICE; (d) all elements, parts, components, subassemblies, subsystems, modules, units, accessories and software designed for incorporation or use in or for use with any of the products of foregoing items (a), (b) and (c), wherein this item (d) includes, without limitation, electron emitting devices, phosphors, spacers, acceleration electrode, getter, drive circuit, image interface, control circuit device and electron emitting display panel; and (e) all replacement parts and service parts for any of the foregoing items (a), (b), (c) and (d); and (f) all instrumentalities or aggregate of instrumentalities for use in the manufacture of any of the foregoing items (a), (b), (c), (d) and (e). The term LICENSED PRODUCTS shall not include the EXCLUDED PRODUCTS.

1.8 "LICENSED PATENTS" shall mean all patents and patent applications throughout the world, including utility models, design patents and design registrations, and applications therefor (hereinafter in this AGREEMENT referred to as "PATENTS"), which are, now or hereafter at any time during the TERM of this AGREEMENT, owned or controlled or licensable by SIDT and/or any of its SUBSIDIARIES and have one or more claims which cover or are otherwise applicable to the LICENSED PRODUCTS or any method or process involved in

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the manufacture or use thereof; all parents, divisions, continuations and continuations-in-part of any of said patent applications, whether so related to said patent applications directly or through one or more intervening patent applications; all patents issuing on any of the foregoing patent applications; and all reissues, reexaminations, renewals and extensions of any of the foregoing patents. LICENSED PATENTS shall include, but shall not be limited to, the patents and patent applications of the United States and other countries listed in attached Exhibit A. For the purpose of this AGREEMENT, the term LICENSED PATENTS shall include all PATENTS, which are, now or hereafter at any time during the TERM of this AGREEMENT, owned or controlled or licensable by SIDT and/or any of its SUBSIDIARIES and cover or are otherwise applicable to the EXCLUDED PRODUCTS or EXCLUDED ELECTRON FIELD EMISSION DISPLAY MODULE if such PATENTS also cover or are otherwise applicable to the LICENSED PRODUCTS or any method or process involved in the manufacture or use thereof.

1.9 "EMPLOYEE AND/OR CO-OWNED PATENTS" shall mean all PATENTS (a) which are not LICENSED PATENTS and cover or are otherwise applicable to any of (i) LICENSED PRODUCTS, (ii) both of LICENSED PRODUCTS and EXCLUDED PRODUCTS, (iii) both of LICENSED PRODUCTS and EXCLUDED FIELD ELECTRON EMISSION DISPLAY MODULE and (iv) any method or process involved in the manufacture or use of any of the foregoing and (b) which either (1) claim inventions that are made solely or jointly with a third party by an employee, officer, agent and/or consultant of SIDT or any of its SUBSIDIARIES in, or as a result of, the performance of research, development, technical or other work for or with SIDT or any of its SUBSIDIARIES or (2) are co-owned by SIDT and/or its SUBSIDIARIES and a third party. The term EMPLOYEE AND/OR CO-OWNED PATENTS shall not include PATENTS (a) which are

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entitled to an effective filing date subsequent to the EFFECTIVE DATE of this AGREEMENT, and (b) which claim inventions that are made after the EFFECTIVE DATE of this AGREEMENT jointly by one or more employees of SIDT or any of its SUBSIDIARIES and a third party in, or as a result of their work in the course of their employment, and (c) which are co-owned by SIDT and/or its SUBSIDIARIES and a third party, and (d) under which SIDT and any of its SUBSIDIARIES do not have the right to grant licenses.

ARTICLE 2 - LICENSE GRANT,
NONASSERTION AND RELEASE

2.1 Subject to payment to SIDT of the lump sum amount under Article 4, SIDT on behalf of itself and its SUBSIDIARIES hereby grants to CANON and its SUBSIDIARIES a fully paid-up, worldwide, royalty-free, irrevocable, perpetual, nonexclusive license (without the right to sublicense) under the LICENSED PATENTS to import, make, have made, use, sell, offer for sale, lease or otherwise dispose of LICENSED PRODUCTS throughout the world and to practice or have practiced throughout the world any method or process in the manufacture or use thereof.

2.2 The license grant in paragraph 2.1 herein shall extend to all of CANON's and its SUBSIDIARIES' suppliers, distributors, dealers, agents, customers and users (whether direct or indirect) with respect to all LICENSED PRODUCTS which, in whole or in part, are imported, made, have made, used, sold, offered for sale, leased or otherwise disposed of by or for CANON or any of its SUBSIDIARIES throughout the world.

2.3 Subject to payment to SIDT of the lump sum amount under Article 4, as to all LICENSED PRODUCTS which, in whole or in part, are imported, made, have made, used, sold,

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offered for sale, leased or otherwise disposed of by or for CANON or any of its SUBSIDIARIES, SIDT on behalf of itself and its SUBSIDIARIES hereby forever releases and discharges worldwide CANON and its SUBSIDIARIES, and their respective distributors, dealers, agents, customers and users (whether direct or indirect) from any and all claims which they may now have or which may arise hereafter for alleged infringement, either direct, inducement and/or contributory, of any of the LICENSED PATENTS, and SIDT and its SUBSIDIARIES each hereby forever agrees worldwide not to assert any of the LICENSED PATENTS and forever agrees worldwide not to institute or continue any administrative proceeding or judicial action for infringement, either direct, inducement and/or contributory, based on any of the LICENSED PATENTS, against CANON and its SUBSIDIARIES, and their respective distributors, dealers, agents, customers and users (whether direct or indirect).

ARTICLE 3 - TERM

3.1 This AGREEMENT shall commence as of the EFFECTIVE DATE and shall continue in full force and effect until expiration of the last to expire of the LICENSED PATENTS, except that the license, nonassertion and release granted in Article 2 herein and Articles 5 and 7 hereof are perpetual and shall survive termination of this AGREEMENT

ARTICLE 4 - PAYMENT

4.1 In full and complete consideration for the license, nonassertion and release granted in Article 2 and the indemnification under Article 7 herein, CANON agrees to pay SIDT a one time lump sum of Five Million Five Hundred Fifty-five Thousand Five Hundred Fifty-five U.S. Dollars and Fifty-five U.S. Cents (US\$5,555,555.55) within fifteen (15)

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days following CANON's receipt of the duplicate originals of this AGREEMENT duly executed by SIDT. This lump sum shall be paid by wire transfer to the following bank account of SIDT:

Bank: Chase Bank Texas
PO Box 2558
Houston, Texas 77252-8063
ABA Routing Number: 113000609
Account Number: 081-00053751
Account Name: SI Diamond Technology, Inc.
3006 Longhorn Boulevard, Suite 107
Austin, Texas 78758

4.2 All taxes imposed as a result of the existence or performance of this AGREEMENT shall be borne and paid by the party required to do so by applicable law. If so required, CANON shall withhold from payment to SIDT under paragraph 4.1 herein, the amount of any taxes levied on such payment by the Government of Japan, shall effect payment to the appropriate tax authority of Japan of taxes so withheld, and shall transmit to SIDT official receipts issued by such tax authorities.

ARTICLE 5 - WARRANTIES AND DISCLAIMERS

5.1 SIDT makes the following warranties:

(a) SIDT and/or its SUBSIDIARIES own the entire right, title and interest in and to the LICENSED PATENTS and the inventions disclosed and claimed therein;

(b) SIDT has the right to enter into this AGREEMENT with CANON on its own behalf and on behalf of its SUBSIDIARIES;

(c) there are no liens, conveyances, mortgages, assignments, encumbrances or agreements which would prevent or impair the full and complete exercise of the license, nonassertion and release granted by SIDT and its SUBSIDIARIES under this AGREEMENT;

(d) SIDT and its SUBSIDIARIES have not entered into and shall not enter into any agreements which would

interfere with the license, nonassertion and release granted under this AGREEMENT;

(e) as to inventions that are made by an employee, officer, agent and/or consultant of SIDT or any of its SUBSIDIARIES and cover or are otherwise applicable to LICENSED PRODUCTS or any method or process involved in the manufacture or use thereof, SIDT and its SUBSIDIARIES shall devote their best efforts so that such inventions and patent applications and patents therefor will be qualified as LICENSED PATENTS:

(f) SIDT will provide CANON, from time to time as CANON may request, and in any event at the end of each calendar year during the TERM of this AGREEMENT, with a latest list of all patents and patent applications throughout the world, including utility models, design patents and design registrations, and applications therefor, which meet the definition of the LICENSED PATENTS and promptly answer to any question from CANON relating to the LICENSED PATENTS; and

(g) all the PATENTS (1) which have one or more claims that cover or are otherwise applicable to any of (i) LICENSED PRODUCTS, (ii) both of LICENSED PRODUCTS and EXCLUDED PRODUCTS, (iii) both of LICENSED PRODUCTS and EXCLUDED ELECTRON FIELD EMISSION DISPLAY MODULE and (iv) any method or process involved in the manufacture or use any of the foregoing items (i) through (iii), and (2) which are entitled to an effective filing date on or prior to the EFFECTIVE DATE of this AGREEMENT, and (3) which either describe or disclose inventions made solely by one or more employees, officers, agents and/or consultants of SIDT or any of its SUBSIDIARIES in, or as a result of, the performance of research, development, technical or other work for or with SIDT or any of its SUBSIDIARIES, or describe or disclose inventions made jointly by one or more employees, officers, agents and/or consultants of SIDT or any of its SUBSIDIARIES and a third party or its one or more employees in, or as a

result of, the performance of research, development, technical or other work for or with SIDT or any of its SUBSIDIARIES or are co-owned with a third party, are licensed and granted to CANON and its SUBSIDIARIES in this AGREEMENT as the LICENSED PATENTS defined in paragraph 1.8 hereof.

5.2 CANON warrants and represents that it has the right to enter into this AGREEMENT on its behalf and on behalf of its SUBSIDIARIES.

5.3 Nothing contained in this AGREEMENT shall be construed as a grant, expressly or impliedly, of any license, nonassertion, release or otherwise by CANON or any of its SUBSIDIARIES to SIDT or its SUBSIDIARIES under any patent, patent application, trademark, tradename, copyright, knowhow, or any other intellectual property right owned or controlled in whole or in part, by CANON or any of its SUBSIDIARIES.

5.4 Nothing herein contained shall be construed as an admission by CANON or any of its SUBSIDIARIES that they have infringed any of the LICENSED PATENTS or that any of the LICENSED PATENTS are valid and/or enforceable.

5.5 Nothing in this AGREEMENT shall be construed as conferring an obligation upon SIDT to file any patent application, or to secure any patent or patent right or to maintain any patent in force or to bring or prosecute any action or suit against third parties for infringement; provided, however, that when SIDT or any of its SUBSIDIARIES wishes to abandon or cease the maintenance of any LICENSED PATENT, SIDT shall promptly give notice to CANON in that effect and confirm with CANON its intention as to the disposition of such LICENSED PATENT and when CANON so wishes, SIDT or its SUBSIDIARIES shall assign and transfer such LICENSED PATENT to CANON.

5.6 Nothing in this AGREEMENT shall be construed as a representation or warranty by SIDT or its SUBSIDIARIES with respect to the validity and/or enforceability of the LICENSED PATENTS, or that the LICENSED PRODUCTS are free of claims of infringement of the intellectual property rights of third parties.

5.7 EXCEPT AS SPECIFICALLY PROVIDED HEREIN, NEITHER PARTY MAKES ANY REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED (INCLUDING BUT NOT LIMITED TO A WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE).

ARTICLE 6 - LIMITATIONS

6.1 No party shall assign or otherwise transfer this AGREEMENT and the rights or obligations under this AGREEMENT without prior written consent of the other party, except a party may assign or otherwise transfer this AGREEMENT and the rights or obligations under this AGREEMENT without prior written consent of the other party to any corporation, company or other entity succeeding to the entire business and assets (including research, development, manufacture and sales) of such party and its SUBSIDIARIES in ELECTRON FIELD EMISSION DISPLAY DEVICE, provided the assigning or transferring party shall have such corporation, company or other entity execute and deliver to the other party an instrument in writing agreeing to be bound by the provisions of this AGREEMENT.

6.2 Notwithstanding SIDT's assignment or transfer of this AGREEMENT to any corporation, company or other entity as permitted in paragraph 6.1 herein, SIDT and its SUBSIDIARIES shall remain liable under this AGREEMENT with respect to any PATENTS which fall in the definition of

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LICENSED PATENTS and are thereafter at any time during the TERM of this AGREEMENT owned or controlled or licensable by SIDT and/or its SUBSIDIARIES, and the provisions of this AGREEMENT (including the license, nonassertion and release of Article 2 and the indemnification under Article 7) shall apply with respect to such PATENTS.

6.3 SIDT and its SUBSIDIARIES shall not assign or transfer, or grant any right under the LICENSED PATENTS unless, prior to such assignment or transfer, or grant, SIDT or its SUBSIDIARIES notifies the assignee, transferee or grantee of the license, nonassertion and release granted to CANON and its SUBSIDIARIES under the LICENSED PATENTS in this AGREEMENT, and such assignment or transfer, or grant is expressly made subject to such license, nonassertion and release granted to CANON and its SUBSIDIARIES. SIDT and its SUBSIDIARIES shall have such assignee or licensee of any such LICENSED PATENTS execute and deliver to CANON an instrument in writing agreeing to the license, nonassertion and release granted to CANON and its SUBSIDIARIES under such LICENSED PATENTS in this AGREEMENT.

6.4 This AGREEMENT constitutes the entire understanding and agreement of the parties pertaining to the matters set forth herein, and supersedes all prior agreements, proposals, understandings, negotiations and discussions of the parties regarding the subject matter thereof.

6.5 No amendment, supplement, modification or waiver of this AGREEMENT shall be binding unless executed in writing by authorized representatives of both parties.

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6.6 This AGREEMENT shall be executed in duplicate, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

6.7 All notices which may be or are required to be given under this AGREEMENT shall be in writing and shall be deemed given ten (10) days after posting by registered or certified air mail, postage prepaid, addressed to the addresses specified below or such changed address as the addressee shall be specifically provided by notice given in conformity with this paragraph.

Notices to SIDT shall be addressed as follows:

Dr. Zvi Yaniv
President
SI Diamond Technology, Inc.
3006 Longhorn Blvd., Suite 107
Austin, Texas 78758 U.S.A.

Notices to CANON shall be addressed as follows:

Chief General Manager
Corporate Intellectual Property and Legal
Headquarters
Canon Inc.
30-2, Shimomaruko 3-chome
Ohta-ku, Tokyo 146-8501, Japan

6.8 This AGREEMENT shall be construed by and interpreted in accordance with the laws of the state of New York, United States of America, exclusive of its choice of law provisions. All questions concerning the construction or effect of patent applications and patents shall be decided in accordance with the laws of the country in which the particular patent application or patent concerned has been filed or granted, as the case may be.

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ARTICLE 7 - INDEMNIFICATION

7.1 SIDT on behalf of itself and its SUBSIDIARIES hereby indemnifies CANON and its SUBSIDIARIES for each of the following:

(a) all payments made to any third party for any license granted to CANON and/or its SUBSIDIARIES by said third party under one or more of the EMPLOYEE AND/OR CO-OWNED PATENTS; and

(b) all damages awarded against CANON and/or its SUBSIDIARIES in any legal action for infringement of one or more of the EMPLOYEE AND/OR CO-OWNED PATENTS.

7.2. CANON and its SUBSIDIARIES shall give SIDT ninety (90) days advance written notice prior to taking action for a claim for indemnification under paragraph 7.1 herein.

ARTICLE 8 - CONFIDENTIALITY

8.1 SIDT, CANON and their SUBSIDIARIES, employees, officers and directors shall keep the terms of this AGREEMENT confidential except:

(a) with the prior written consent of the other party; or

(b) as may be required under law for the legal enactment or performance of the terms and conditions of this AGREEMENT; or

(c) as otherwise may be required by law or as may be ordered by a court of competent jurisdiction or other governmental or quasi governmental authority.

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8.2 In no event shall the provisions of paragraph 8.1 herein be construed to prevent either party from referring only to the existence of this AGREEMENT.

8.3 Notwithstanding paragraphs 8.1 and 8.2 herein, SIDT may mention to a candidate of SIDT licensee who is interested in obtaining a license for an electron emission display device under SIDT's United States Patent Nos. 5,679,043 and 5,763,997 the fact that CANON has obtained a license under such SIDT patents, without referring to any other terms of this AGREEMENT.

IN WITNESS WHEREOF, this AGREEMENT has been duly executed by the parties to be effective as of the EFFECTIVE DATE.

SI DIAMOND TECHNOLOGY, INC.

By: 

Title: CHAIRMAN + CEO

CANON INC.

By: 

Fujio Mitarai

Title: President & CEO

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EXHIBIT A

S.I. DIAMOND TECHNOLOGY, INCORPORATED
ISSUED PATENTS

TITLE	COUNTRY	SERIAL NO. FILING DATE	ISSUE NO. GRANT DATE	INVENTORS
WSM File No.: 12179-P001C1 FLAT PANEL DISPLAY BASED ON DIAMOND THIN FILMS	U.S.	08/343,262 06/20/94	5,543,684 08/06/96	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P003C1 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE (AS AMENDED)	U.S.	08/653,729 05/23/96	5,703,435 12/30/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P003D1 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	U.S.	08/482,687 06/07/95	5,675,216 10/07/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P003D2 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	U.S.	08/479,268 06/07/95	5,600,200 02/04/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P003D3 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	U.S.	08/479,480 06/07/95	5,686,791 11/11/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P003D4 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	U.S.	08/484,444 06/07/95	5,659,224 08/19/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P004US DIODE STRUCTURE FLAT PANEL DISPLAY	U.S.	07/995,846 12/23/92	5,449,970 09/12/95	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P004D1 DIODE STRUCTURE FLAT PANEL DISPLAY	U.S.	08/479,270 06/07/95	5,612,712 03/18/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P005C1 TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODE	U.S.	08/458,854 06/02/95	5,548,185 08/20/96	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P006D1 FABRICATING FLAT PANEL DISPLAYS	U.S.	08/485,954 06/07/95	5,614,353 03/25/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P006D2 FABRICATING FLAT PANEL DISPLAYS	U.S.	08/475,167 06/07/95	5,601,966 02/11/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P006D3 FABRICATING FLAT PANEL DISPLAYS	U.S.	08/473,911 06/07/95	5,652,083 07/29/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P008US METHOD FOR PRODUCING THIN, UNIFORM POWDER PHOSPHOR FOR DISPLAY SCREENS	U.S.	08/304,918 09/13/94	5,531,880 07/02/96	Nalin Kumar Donald E. Patterson Chenggang Xie
WSM File No.: 12179-P008D1 METHOD FOR PRODUCING THIN, UNIFORM POWDER PHOSPHOR FOR DISPLAY SCREENS	U.S.	08/488,066 06/07/95	5,697,824 12/16/97	Nalin Kumar Donald E. Patterson Chenggang Xie
WSM File No.: 12179-P009US METHOD OF MAKING A FIELD EMISSION ELECTRON SOURCE WITH RANDOM MICRO-TIP STRUCTURES	U.S.	08/427,464 04/24/95	5,628,659 05/13/97	Nalin Kumar Howard K. Schmidt Chenggang Xie
WSM File No.: 12179-P010US FLAT PANEL DISPLAY BASED ON DIAMOND THIN FILMS	U.S.	08/326,302 10/19/94	5,551,903 09/03/96	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P014US TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	U.S.	08/456,453 06/01/95	5,763,997 06/09/98	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P017US FIELD EMITTER WITH WIDE BAND GAP	U.S.	08/264,386 06/23/94	5,536,193 07/16/96	Nalin Kumar

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EXHIBIT A

S.I. DIAMOND TECHNOLOGY, INCORPORATED
ISSUED PATENTS

TITLE	COUNTRY	SERIAL NO. FILING DATE	ISSUE NO. GRANT DATE	INVENTORS
WSM File No.: 12179-P017D1 FIELD EMITTER WITH WIDE BAND GAP EMISSION AREAS AND METHOD OF MAKING	U.S.	08/482,584 06/07/95	5,861,707 01/19/99	Nalin Kumar
WSM File No.: 12179-P018US METHOD MAKING A FIELD EMITTER	U.S.	08/457,962 06/01/95	5,679,043 10/21/97	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P019US LATERAL FIELD EMITTER DEVICE	U.S.	08/378,333 01/26/95	5,528,099 06/18/96	Nalin Kumar Chenggang Xie
WSM File No.: 12179-P024US METHOD OF FORMING FIELD EMITTER DEVICE WITH DIAMOND EMISSION TIPS	U.S.	07/789,237 11/07/91	5,199,918 04/06/93	Nalin Kumar
WSM File No.: 12179-P035US LOW ENERGY ION DOPING OF GROWING DIAMOND BY CVD	U.S.	08/742,001 08/08/91	5,234,724 08/10/93	Howard K. Schmidt
WSM File No.: 12179-P035C1 IN SITU LOW ENERGY ION DOPING OF MATERIALS GROWN BY CVD	U.S.	08/059,245 05/07/93	5,534,584	Howard K. Schmidt
WSM File No.: 12179-P038US DOPED DIAMOND LASER	U.S.	08/406,306 03/17/95	5,504,767	Howard K. Schmidt Keith D. Jamison
WSM File No.: 12179-P054US FIELD EMISSION DEVICE WITH EDGE EMITTER AND METHOD FOR MAKING	U.S.	08/678,433 07/03/96	5,818,166 10/06/98	Leonid Karpov Andre Genelev Vladimir Dratch A. Krasnoyarsk
WSM File No.: 12179-P067US A CARBON FILM FOR FIELD EMISSION DEVICES	U.S.	08/910,604 08/13/97	5,869,922 2/9/99	Zhidan Tolt
WSM File No.: 12179-P072US METHOD OF MAKING A FIELD EMITTER DEVICE USING RANDOMLY LOCATED NUCLEI AS AN ETCH MASK	U.S.	08/052,958 04/23/93	5,312,514 05/17/94	Nalin Kumar
WSM File No.: 12179-P073US FED-1 METHOD FOR FORMING FIELD EMITTER DEVICE WITH DIAMOND EMISSION TIPS	U.S.	07/981,958 11/24/92	5,341,063 08/23/94	Nalin Kumar
WSM File No.: 12179-P074US METHOD OF MAKING A FIELD EMITTER DEVICE USING RANDOMLY LOCATED NUCLEI AS AN ETCH MASK	U.S.	08/232,790 04/22/94	5,399,238 03/21/95	Nalin Kumar
WSM File No.: 12179-P075US LATERAL FIELD EMITTER DEVICE AND METHOD OF MANUFACTURING SAME	U.S.	08/173,739 12/22/93	5,445,550 08/29/95	Chenggang Xie Nalin Kumar

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EXHIBIT A

S.I. DIAMOND TECHNOLOGY, INCORPORATED
PENDING U.S. APPLICATIONS

TITLE	COUNTRY	SERIAL NO. FILING DATE	INVENTORS	STATUS/ EXPIRATION DATE
WSM File No.: 12179-P003C2 AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	U.S.	08/868,644 06/04/97	Nalin Kumar Chenggang Xie	ALLOWED
WSM File No.: 12179-P010C1 FLAT PANEL DISPLAY BASED ON DIAMOND THIN FILMS.		08/474,277 06/07/95	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P015US PRETREATMENT PROCESS FOR A SURFACE TEXTURING PROCESS	U.S.	08/427,462 04/24/95	Dean J. Eichman Chenggang Xie	PENDING
WSM File No.: 12179-P032C1 BACKLIGHTS FOR COLOR LCDs-CONT	U.S.	08/755,168 11/22/96	Nalin Kumar Zvi Yaniv	ALLOWED
WSM File No.: 12179-P048US PULSED CATHODO LUMINESCENT LAMP	U.S.	08/621,531 03/25/96	Nalin Kumar Christo Bojkov Martin Kykta	PENDING
WSM File No.: 12179-P057US A CATHODE ASSEMBLY	U.S.	08/920,011 08/26/97	Zvi Yaniv Nalin Kumar Dick Fink Christo Bojkov Alexei Tikhonski	PENDING
WSM File No.: 12179-P057V1 FIELD EMISSION DEVICES	U.S.	60/029,922 11/01/96	Christo Bojkov Dick Fink Nalin Kumar Zvi Yaniv	MATURED
WSM File No.: 12179-P058US A DISPLAY	U.S.	08/922,842 08/26/97	Zvi Yaniv Nalin Kumar Dick Fink Christo Bojkov Alexei Tikhonski	PENDING
WSM File No.: 12179-P060US FIELD EMISSION LAMP STRUCTURES	U.S.	08/845,129 04/21/97	Nalin Kumar Dick Fink Don Wilson	PENDING
WSM File No.: 12179-P064US A PROCESS FOR GROWING A CARBON FILM	U.S.	08/859,960 05/21/97	Zhidan Tolt Zvi Yaniv Richard Fink	PENDING
WSM File No.: 12179-P065US A FIELD EMISSION DEVICE	U.S.	08/859,692 05/21/97	Zhidan Tolt Zvi Yaniv Richard Fink	PENDING
WSM File No.: 12179-P069US A COLD CATHODE CARBON FILM	U.S.	09/174,500 10/16/98	Zvi Yaniv Zhidan Tolt Richard Fink	FILED
WSM File No.: 12179-P069V1 A COLD CATHODE CARBON FILM	U.S.	60/062934 10/21/97	Zvi Yaniv Zhidan Tolt Richard Fink	MATURED
WSM File No.: 12179-P071US FLAT CRT DISPLAY	U.S.	09/016,222 01/30/98	Zvi Yaniv Ron Robinder	PENDING
WSM File No.: 12179-P076US INHIBITING EDG EMISSION FOR AN ADDRESSABLE FIELD EMISSION THIN FILM FLAT CATHODE DISPLAY	U.S.	09/114,721 07/13/98	Zhidan Tolt	FILED

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EXHIBIT A

S.I. DIAMOND TECHNOLOGY, INCORPORATED
FOREIGN APPLICATIONS

TITLE	COUNTRY	SERIAL NO. FILING DATE	INVENTORS	STATUS/ EXPIRATION DATE
WSM File No.: 12179-P003WO AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	PCT	PCT/US93/11845 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P003CA AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	CANADA	2,164,294 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P003EP AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	EUROPE	94905336.7 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P003JP AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	JAPAN	500,588/95 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P003KR AMORPHIC DIAMOND FILM FLAT FIELD EMISSION CATHODE	S. KOREA	95-705490 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P004WO DIODE STRUCTURE FLAT PANEL DISPLAY	PCT	PCT/US93/11796 12/06/93 Priority Data: 07/995,846 12/23/92	Nalin Kumar Chenggang Xie	PUBLISHED 07/07/94 Publication No. WO 94/15350
WSM File No.: 12179-P004CA DIODE STRUCTURE FLAT PANEL DISPLAY	CANADA	2,152,471 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P004EP DIODE STRUCTURE FLAT PANEL DISPLAY	EUROPE	94903463.1 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P004JP DIODE STRUCTURE FLAT PANEL DISPLAY	JAPAN	HEI 6-515188 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P004KR DIODE STRUCTURE FLAT PANEL DISPLAY	S. KOREA	(PCT) 702599/95 12/06/96	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P005WO TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	PCT	PCT/US93/11791 12/06/93	Nalin Kumar Chenggang Xie	PUBLISHED 07/01/94
WSM File No.: 12179-P005CA TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	CANADA	2,152,472 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P005EP TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	EUROPE	94905334.2 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P005JP TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	JAPAN	HEI 6-515187 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P005KR TRIODE STRUCTURE FLAT PANEL DISPLAY EMPLOYING FLAT FIELD EMISSION CATHODES	S. KOREA	(PCT) 702598/95 12/06/93	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P006WO METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	PCT	PCT/US94/12311 10/26/94	Nalin Kumar Chenggang Xie	PENDING

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EXHIBIT A

S.I. DIAMOND TECHNOLOGY, INCORPORATED
FOREIGN APPLICATIONS

TITLE	COUNTRY	SERIAL NO. FILING DATE	INVENTORS	STATUS/ EXPIRATION DATE
WSM File No.: 12179-P006CA METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	CANADA	2,172,803 10/26/94	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P006EP METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	EUROPE	95901056.2 10/26/94	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P006JP METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	JAPAN	513287 10/26/94	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P006KR METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	KOREA	96-702317 10/26/94	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P006RU METHODS FOR FABRICATING FLAT PANEL DISPLAY SYSTEMS AND COMPONENTS	RUSSIAN FEDERATION	96-112159 10/26/94	Nalin Kumar Chenggang Xie	PENDING
WSM File No.: 12179-P057WO A CATHODE ASSEMBLY	PCT	PCT/US97/19767 10/31/97	Zvi Yaniv Nalin Kumar Dick Fink Christo Bojkov Alexei Tikhonski	PENDING
WSM File No.: 12179-P058WO A DISPLAY	PCT	PCT/US97/19766	Zvi Yaniv Nalin Kumar Dick Fink Christo Bojkov Alexei Tikhonski	PENDING
WSM File No.: 12179-P064WO A PROCESS FOR GROWING A CARBON FILM	PCT	PCT/US98/10368 5/20/98	Zhidan Tolt Zvi Yaniv Richard Fink	PENDING
WSM File No.: 12179-P065WO A FIELD EMISSION DEVICE	PCT	PCT/US98/10366 5/20/98	Zhidan Tolt Zvi Yaniv Richard Fink	PENDING
WSM File No.: 12179-P067WO A CARBON FILM FOR FIELD EMISSION DEVICES	PCT	PCT/US98/15714 7/29/98	Zhidan Tolt	PENDING
WSM File No.: 12179-P069WO A COLD CATHODE CARBON FILM	PCT	PCT/US98/22068 10/19/98	Zvi Yaniv Zhidan Tolt Richard Fink	PENDING

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