U. S. PHILIPS CORPORATION

580 WHITE PLAINS ROAD

TARRYTOWN, NEW YORK 10591

Telephone 914-332-0222

PATENT DEPT.

Our File No. BY FEDERAL EXPRESS

Your File No.

March 20, 1985

Mr. Thomas A. Larsen
Howard, Rice, Nemerovski
Canaday, Robertson & Falk
Three Embarcadero Center
Seventh Floor
San Francisco, CA 94111

Dear Tom:

Enclosed is the sublicense Agreement which has been revised per our telephone discussion on March 19. Also enclosed is the list of patents which forms Exhibit A to the sublicense and settlement Agreements.

Very truly yours,

Algy Tamoshunas

Algy Tamoshunas

AT/prb
Enclosures

cc: T. Anderson (w/enc)
L. Etlinger (w/enc)

WHEREAS, MAGNAVOX, SANDERS and ACTIVISION are contemporaneously herewith entering into an agreement for settling a civil action in the United States District Court for the Northern District of California entitled, The Magnavox Company et al v. Activision, Inc., No. C82-5270 CAL (hereinafter the SETTLEMENT AGREEMENT); and

WHEREAS, as part of said settlement of said civil action, MAGNAVOX and ACTIVISION agreed to enter into a nonexclusive sublicense agreement under certain patents of such OTHER LICENSE AGREEMENT;

NOW, THEREFORE, for and in consideration of the mutual covenants and obligations herein set forth, which the parties agree to perform in good faith, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.01 As used herein, the following terms shall have the following meanings:

(a) LICENSED PATENTS shall mean the patents and applications for patents set forth in Exhibit A attached hereto, any patents issuing on said applications and any and all reissues, divisions, continuations and extensions of any such patents and/or applications.

(b) HOME VIDEO GAME shall mean any consumer video game product designed primarily for playing video games in the home on a home television receiver or monitor. Such home video game includes a control unit (hereinafter CONTROL UNIT), which may be a microprocessor based unit and may include a keyboard; a means for connecting the CONTROL UNIT to the television receiver or monitor; and may include a

cartridge or memory device (hereinafter GAME PROGRAM) which when connected to the CONTROL UNIT allows the consumer to play the game loaded into the cartridge or memory device. Examples of HOME VIDEO GAME include the Atari 2600 and 5200, Odyssey 2, Intellivision and Colecovision. and variations thereof

(c) LICENSED VIDEO GAME shall mean any HOME VIDEO GAME covered by or employing a method covered by one or more of the LICENSED PATENTS, with such coverage being determined by and to the extent of that provided by the law of the country of LICENSED PATENT issuance.

(d) LICENSED GAME PROGRAM shall mean a GAME PROGRAM which when connected to a CONTROL UNIT for operation, comprises, in combination, a HOME VIDEO GAME covered by or employing a method covered by one or more of the LICENSED PATENTS, with such coverage being determined by and to the extent of that provided by the law of the country of LICENSED PATENT issuance.

(e) LICENSED PRODUCT shall mean a LICENSED VIDEO GAME and/or LICENSED GAME PROGRAM.

(f) NET SELLING PRICE shall mean the invoice price of each LICENSED PRODUCT sold by ACTIVISION to any third party in arms-length trade. All invoice prices hereunder shall be determined after deduction of commercially reasonable trade and quantity discounts but before deducting any other item and shall be understood not to include taxes, duties, insurance premiums for transportation, transportation costs and special packaging costs charged for separately, if any.

(g) DOLLARS shall mean United States of America Dollars.

(h) SUBSIDIARY shall mean any corporation (including any legal entity similar thereto) or other kind of business organization in which MAGNAVOX or ACTIVISION, as the case may be, now or hereafter during the term of this Agreement has a "controlling interest". The term SUBSIDIARY also includes any other corporation or other kind of business organization in which such a corporation or business organization controlled by MAGNAVOX or ACTIVISION, now or hereafter during the term of this Agreement has a "controlling interest". "Controlling interest" in the case of a corporation or business organization shall mean direct or indirect ownership or control by MAGNAVOX or ACTIVISION of that number of the shares of said corporation, entity, or organization which represents the right to elect a majority of the directors of the corporation, or persons performing similar functions; and in the case of any other kind of business organization, it means that direct or indirect ownership or control of the capital thereof, or other interest therein, by or through which MAGNAVOX or ACTIVISION exercises or has the power to exercise in any manner, directly or indirectly, control or direction thereof.

ARTICLE II

LICENSES AND RIGHTS

2.01 MAGNAVOX hereby grants to ACTIVISION, subject to the reservations and conditions set forth herein, a nonexclusive, worldwide license under LICENSED PATENTS, without the right to sublicense, to make, have made, use, sell, lease or otherwise dispose of LICENSED PRODUCTS.

2.02 Except for U.S. patent Re. 28,507 and its foreign counterparts, the foreign counterparts of U.S. patents Nos. 3,728,480 and 3,829,095 and any patents issuing on pending reissue applications Serial Nos. 810,538 and 810,542, MAGNAVOX agrees not to assert any other LICENSED PATENTS against GAME PROGRAMS disclosed to MAGNAVOX prior to the effective date of this Agreement, it being understood that this Paragraph 2.02 shall not apply to any new GAME PROGRAMS or any new HOME VIDEO GAMES made by or for, or introduced by ACTIVISION subsequent to the effective date of this Agreement.

2.03 Nothing herein shall be construed as preventing or restricting either party from manufacturing, using, or selling any product in any country or territory, it being understood, however, that no licenses under patents expressed or implied, are hereby granted except under LICENSED PATENTS as defined in Paragraph 1.01 (a) of Article I, and to the extent set forth in Paragraph 2.01 of this Article II.

2.04 MAGNAVOX hereby warrants that it has the right to grant the licenses herein granted to ACTIVISION.

ARTICLE III

CONSIDERATION

3.01 In consideration of the nonexclusive licenses herein granted by MAGNAVOX to ACTIVISION, ACTIVISION agrees:

(a) to pay to MAGNAVOX a royalty of Four and One-Half Percent (4-1/2%) of the NET SELLING PRICE of the LICENSED VIDEO GAME for each LICENSED VIDEO GAME: (i) made by or for Activision in the United States of America and sold, used, leased or otherwise disposed of (except as scrap) in any country of the world on and after the effective date of this Agreement; or (ii) made by or for ACTIVISION in Taiwan, South Korea, Philippines or a country where no LICENSED PATENTS exist and sold, used, leased or otherwise disposed of (except as scrap) on or after the effective date of this Agreement in the United States of America or another country where any LICENSED PATENT exists. In the event that a CONTROL UNIT used, sold, leased or otherwise disposed of (except as scrap) by ACTIVISION does not have at least one LICENSED GAME PROGRAM residing or incorporated therein such that a combination exists comprising a LICENSED VIDEO GAME, then one unincorporated such LICENSED GAME PROGRAM, whether or not sold together with a CONTROL UNIT, shall be considered in combination with such a CONTROL UNIT as comprising a LICENSED VIDEO GAME for determining royalty payments under this paragraph 3.01(a).

(b) to pay to MAGNAVOX a royalty for each LICENSED GAME PROGRAM: (i) made by or for Activision in the United States of America and sold, used, leased or otherwise disposed of (except as scrap) in any country of the world on and after the effective date of this Agreement; or (ii) made by or for ACTIVISION in

Taiwan, South Korea, Philippines or a country where no LICENSED PATENTS exist and sold, used, leased or otherwise disposed of (except as scrap) on or after the effective date of this Agreement in the United States of America or another country where any LICENSED PATENT exists, as follows:

(1) Four and One-Half Percent (4-1/2%) of the NET SELLING PRICE of the LICENSED GAME PROGRAM if the NET SELLING PRICE thereof is over Ten (10) Dollars;

(2) Two and One-Half Percent (2-1/2%) of the NET SELLING PRICE of the LICENSED GAME PROGRAM if the NET SELLING PRICE thereof is between Ten (10) Dollars and Five (5) Dollars, inclusive; and

(3) One Percent (1%) for the LICENSED GAME PROGRAM if the NET SELLING PRICE thereof is less than Five (5) Dollars.

No royalties shall be due under this paragraph 3.01(b) on any LICENSED GAME PROGRAM residing or incorporated in a LICENSED VIDEO GAME on which royalties were paid pursuant to paragraph 3.01(a) or on any LICENSED GAME PROGRAM, which in combination with a CONTROL UNIT, was considered as a LICENSED VIDEO GAME on which royalties were paid pursuant to paragraph 3.01(a).

3.02 In the event that a LICENSED PRODUCT is made by or for ACTIVISION outside the United States of America in a country where any

LICENSED PATENT exists (other than Taiwan, South Korea and the Philippines) and sold, used, leased or otherwise disposed of (except as scrap): (i) in the United States of America or (ii) in another country where any LICENSED PATENT exists and which is not the country where such LICENSED PRODUCT is made, then ACTIVISION shall pay for each such LICENSED PRODUCT an additional royalty of One Percent (1%) of the NET SELLING PRICE of such LICENSED PRODUCT in addition to and above the applicable royalty rates set forth in paragraphs 3.01(a) and 3.01(b)(1), (b)(2) and (b)(3). The provisions of this paragraph 3.02, however, shall not apply to those LICENSED PRODUCTS which are both made and sold, leased or otherwise disposed of within the European Economic Community.

3.03 A LICENSED PRODUCT shall be deemed sold when invoiced, or if not invoiced, when shipped or otherwise delivered to a purchaser or user of such product; provided, however, that in the event that ACTIVISION is unable to collect payment for LICENSED PRODUCTS shipped to a customer who subsequently goes into bankruptcy or ACTIVISION sues a customer to collect payment for LICENSED PRODUCTS shipped to said customer, then in either of such event, royalties on such LICENSED PRODUCTS shall be deemed due when ACTIVISION actually collects payment for such LICENSED PRODUCTS and any royalties that have been paid by ACTIVISION thereon shall be credited against future royalties to be paid hereunder until such time that ACTIVISION collects payment for such LICENSED PRODUCTS. Upon termination of this Agreement, any such credits which have not been credited against future royalties or royalties due under Paragraph 6.02 shall be refunded to ACTIVISION.

3.04 No royalty shall be due on LICENSED PRODUCTS which have been returned or rejected by the customer and when royalties have been paid on such LICENSED PRODUCTS, then such royalties shall be credited against future royalties to be paid hereunder. Upon termination of this Agreement, any such credits which have not been credited against future royalties or royalties due under Paragraph 6.02 shall be refunded to ACTIVISION.

3.05 Anything herein to the contrary notwithstanding, no royalty payments shall be due on those LICENSED GAME PROGRAMS:
(i) which were made by ACTIVISION prior to the effective date of this Agreement and sold thereafter outside the United States of America, and (ii) which are covered solely by or employ a method covered solely by the foreign counterparts of either U.S. Patent No. 3,728,480 or U.S. Patent No. 3,829,095 and no other LICENSED PATENT. It is understood that royalties on such LICENSED GAME PROGRAMS made and sold after the effective date of this Agreement shall be paid in accordance with the provisions of Paragraphs 3.01(b) and 3.02.

3.06 Anything herein to the contrary notwithstanding, no royalty payments shall be due on any HOME VIDEO GAMES and/or GAME PROGRAMS made and sold in the United States and covered solely by or employing methods covered solely by U.S. Patent No. 3,728,480 or U.S. Patent No. 3,829,095 until such time as either reissue application Serial No. 810,538 or reissue application Serial No. 810,542 issues as a reissue patent with a claim covering such HOME VIDEO GAME or GAME PROGRAM, whereupon royalties shall be due and payable in accordance

ACTIVISION confirming its estimate that sales of the GAME PROGRAMS referred to in Paragraph 3.07 would not result in a royalty obligation under Paragraphs 3.01 and 3.02 in excess of Two Thousand Dollars ($2,000) if accounted for in the manner specified in Paragraph 6.01 and ACTIVISION shall pay a royalty of $2,000 for said first quarter. If the letter estimates that sales during said first quarter would result in a royalty in excess of $2,000, then ACTIVISION shall pay the greater amount.

ARTICLE IV

MAXIMUM AND MINIMUM ROYALTY SCHEDULES

4.01 Should any computed royalty payable by ACTIVISION to MAGNAVOX under the provisions of Paragraphs 3.01 (a) and 3.02 for any LICENSED VIDEO GAME be less than ONE DOLLAR ($1.00), then ACTIVISION shall make payment of a minimum royalty of ONE DOLLAR ($1.00) for each such LICENSED VIDEO GAME in lieu of said computed royalty.

4.02 Should any computed royalty payable by ACTIVISION to MAGNAVOX under the provisions of Paragraph 3.01 (a) and 3.02 for any LICENSED VIDEO GAME be more than Two DOLLARS ($2.00) per LICENSED VIDEO GAME, then ACTIVISION shall make payment of a maximum royalty of Two DOLLARS ($2.00) for each such LICENSED VIDEO GAME in lieu of said computed royalty.

4.03 In the first month of each calendar year, the minimum and maximum royalty amounts specified in Paragraphs 4.01 and 4.02,

respectively, for that calendar year shall be adjusted to change in accordance with the change for the All Urban Consumers Price Index as published by the U.S. Department of Labor. Said adjustment shall be made by multiplying the minimum and maximum royalty amounts specified in Paragraphs 4.01 and 4.02, respectively, by a fraction, the denominator of which is said Consumer Price Index figure for December 1982 and the numerator of which is said Consumer Price Index figure for December of the year preceding said calendar year for which said adjustment is being made.

ARTICLE V

PAYMENTS

5.01 All payments made by ACTIVISION to MAGNAVOX are to be in DOLLARS, or any other currency acceptable to MAGNAVOX, at their offices in Tarrytown, State of New York, United States of America.

5.02 ACTIVISION shall make timely withholding and payments to appropriate authorities for the account of MAGNAVOX of any applicable withholding taxes or any other appropriate governmental taxes due from payments remitted by ACTIVISION to MAGNAVOX. ACTIVISION shall comply with applicable regulations so that MAGNAVOX is given full credit with the appropriate government authorities for having paid such taxes and shall send to MAGNAVOX appropriate documentation evidencing such payments.

ARTICLE VI

REPORTING OF ROYALTIES

6.01 Within forty-five (45) days after and as of the end of each calendar quarter of each year during the term of this Agreement, ACTIVISION shall furnish to MAGNAVOX a royalty report specifying:

(a) the total number of LICENSED PRODUCTS which have been made, had made, used, sold, or otherwise disposed of by ACTIVISION during the preceding calendar quarter:

(b) in separate listings, the number and types (by catalogue number or the like) of LICENSED VIDEO GAMES and LICENSED GAME PROGRAMS used and/or sold during the preceding calendar quarter and the prices thereof upon which royalties are based;

(c) the amount of credit due pursuant to Paragraphs 3.03 or 3.04;

(d) the amount or amounts due to MAGNAVOX; and

(e) the taxes of any government withheld and paid on behalf of MAGNAVOX pursuant to Paragraph 5.02 above.

6.02 ACTIVISION shall make a written report to MAGNAVOX within ninety (90) days after the date of termination of this Agreement, howsoever arising, stating in such report the number and NET SELLING PRICES of all LICENSED PRODUCTS sold or otherwise disposed of and the number of LICENSED PRODUCTS manufactured but not sold or otherwise disposed of, and upon which royalty not previously reported to MAGNAVOX is payable in consequence of such LICENSED PATENTS.

6.03 Each report submitted under the terms of this Article VI shall be accompanied by the payments due to MAGNAVOX.

6.04 ACTIVISION shall retain, for a period of four (4) years after making a royalty report, the records, files and books of account prepared in the normal course of business, which contain data reasonably required for the computation and verification of the amounts to be paid and the information to be given in such report. ACTIVISION shall permit the reasonable inspection, upon reasonable notice and at reasonable times during normal business hours, of such records, files and books of account by a certified public accountant appointed by MAGNAVOX. Said accountant shall be permitted to inspect said records, files, and books and ACTIVISION shall give said accountant such other information as may be reasonably necessary and proper to enable the amounts of payments payable hereunder to be accurately ascertained. Neither MAGNAVOX nor said accountant shall disclose to anyone, directly or indirectly, any of the information which they obtain as a result of any such inspection, and such accountant shall disclose to MAGNAVOX only such information as ACTIVISION is required to report to MAGNAVOX under this ARTICLE VI, including the amount of royalty due and payable.

6.05 ACTIVISION shall pay interest at the rate of One and One-Half Percent (1-1/2%) per month on any sums due from ACTIVISION to MAGNAVOX and not paid by their due date unless said interest rate of 1-1/2% is higher than the maximum interest rate permitted by applicable law, in which event ACTIVISION shall pay such maximum interest rate in lieu of said 1-1/2%.

6.06 In order to insure to MAGNAVOX the full royalty payments contemplated hereunder, ACTIVISION agrees that, in the event any LICENSED PRODUCTS shall be sold: (1) to a corporation, firm, or association which, or individual who shall own a controlling interest in ACTIVISION by stock ownership or otherwise, or (2) to a corporation firm or association in which ACTIVISION or stockholders of the ACTIVISION, or any subsidiary company of the ACTIVISION shall own, directly or indirectly, a controlling interest by stock ownership or otherwise, or (3) to a corporation, firm, or association with which, or individual with whom ACTIVISION or its stockholders or subsidiary companies shall have any agreement, understanding, or arrangement (such as, among other things, an option to purchase stock, or an arrangement involving a division of profits or special rebates) without which agreement, understanding, or arrangement, prices paid by such corporation, firm, association, or individual for LICENSED PRODUCTS would be higher than the NET SELLING PRICE reported by the ACTIVISION, or if such agreement, understanding, or arrangement results in extending to such corporation, firm, association, or individual lower prices for LICENSED PRODUCTS than those charged to outside concerns buying similar merchandise in similar amounts and under similar conditions, then, and in any of such events, the royalties to be paid hereunder in respect of such LICENSED PRODUCTS shall be based upon the NET SELLING PRICE at which the purchaser of LICENSED PRODUCTS so sold resells such PRODUCTS rather than upon the NET SELLING PRICE of the ACTIVISION; but in no event shall the NET SELLING PRICE be more than charged to outside concerns buying similar products in similar amounts and similar conditions.

ARTICLE VII

TERM AND TERMINATION

7.01 The word "termination" and cognate words such as "term" and "terminate" used in this Article VII are to be read, except where the contrary is specifically indicated, as omitting from their effect the following rights and obligations, all of which shall survive any termination to the degree necessary to permit their complete fulfillment or discharge:

(a) ACTIVISION's obligation to supply a terminal report as specified in Paragraph 6.02 of Article VI;

(b) MAGNAVOX' right to receive or recover and ACTIVISION's obligation to pay royalties accrued or accruable for payment at the time of any termination;

(c) ACTIVISION's obligation to maintain records and MAGNAVOX' right to conduct a final audit as provided in Paragraph 6.04 of Article VI;

(d) Licenses under LICENSED PATENTS running in favor of customers or transferees of ACTIVISION in respect to LICENSED PRODUCTS sold or transferred by ACTIVISION prior to any termination of this Agreement, subject to payment by ACTIVISION of any royalties payable with respect to such LICENSED PRODUCTS; and

(e) any cause of action or claim of either party, accrued or to accrue, because of any breach or default by the other party.

7.02 Unless terminated as provided in Paragraphs 7.03, 7.04 or 7.05 of this Article VII, this Agreement shall run to the end of the life of the last to expire of the LICENSED PATENTS and shall thereupon terminate.

7.03 Unless otherwise specified herein, if either MAGNAVOX or ACTIVISION shall default in the performance of any of the terms and provisions of this Agreement to be performed by it, and such default shall not be cured within sixty (60) days after written notice of such default is given by the nondefaulting party to the defaulting party, then at any time after the expiration of such sixty (60) days, the nondefaulting party may give written notice to the defaulting party of its election to terminate this Agreement. Thereupon, this Agreement shall terminate on the date specified in such notice, which shall not be less than thirty (30) days following the receipt of such last mentioned notice. Such right of termination shall not be exclusive of any other remedies or means of redress to which the nondefaulting party may be lawfully entitled, it being intended that all such remedies be cumulative.

7.04 If either MAGNAVOX or ACTIVISION should be dissolved, or should file a voluntary petition in bankruptcy, or an order should be entered pursuant to any law relating to bankruptcy or insolvency appointing a receiver or trustee for said party, then MAGNAVOX or ACTIVISION, as the case may be, within sixty (60) days thereafter may give written notice to the party filing such petition in bankruptcy or subject to such order of its desire to terminate this Agreement. Thereupon, this Agreement shall terminate on the date specified in such notice, which shall not be less than thirty (30) days following the filing of such notice.

7.05 ACTIVISION shall have the right to challenge the validity of and/or the alleged coverage of a given product by any reissue patent issuing on reissue application Serial Nos. 810,538 or 810,542 by giving written notice thereof to MAGNAVOX, whereupon MAGNAVOX shall have the right to terminate any license granted hereunder under such patent whose validity and/or coverage is challenged by giving written notice of such termination to ACTIVISION.

ARTICLE VIII

NO LEGAL REPRESENTATION

8.01 Nothing contained in this Agreement shall be construed as conferring any license or right with respect to any trademark, trade, or brand name, the corporate name of either party or any of its subsidiaries, or any other name or mark, or any contraction, abbreviation, or simulation thereof.

ARTICLE IX

DISCLAIMER OF WARRANTIES-SAVE HARMLESS

9.01 To the best of MAGNAVOX' knowledge, all LICENSED PATENTS are valid, but MAGNAVOX does not guarantee the validity thereof. MAGNAVOX further does not warrant that the manufacture, use, installation, or sale by ACTIVISION of the LICENSED PRODUCTS does not or shall not infringe the patents or other rights of persons not a party hereto. MAGNAVOX shall not be obliged to defend or hold ACTIVISION harmless against any suit, claim, demand, or action based on actual or alleged infringement of any patents or other rights belonging to persons not a party to this Agreement. Any such infringement by ACTIVISION shall not relieve it from performance of its obligations hereunder.

9.02 MAGNAVOX hereby disclaims any and all liability or responsibility whatsoever for any loss or damage arising out of the production, design, sale, installation, or use of LICENSED PRODUCTS manufactured or sold by ACTIVISION under this Agreement. MAGNAVOX does not warrant that such LICENSED PRODUCTS are or will be of merchantable quality or fit for any particular purpose for which they may be bought or used.

ARTICLE X

INFRINGEMENT BY THIRD PARTIES

10.01 ACTIVISION shall promptly inform MAGNAVOX upon learning of any infringement of LICENSED PATENTS.

10.02 MAGNAVOX agrees to bring and prosecute such suits for infringement of the LICENSED PATENTS as may reasonably be necessary to protect unlicensed competition from materially interfering with the business of ACTIVISION hereunder. However, MAGNAVOX shall not be obligated to bring more than one such suit at a time, or against more than one type of infringing device at a time.

ARTICLE XI

SUBSIDIARIES

11.01 This Agreement shall be binding upon and inure to the benefit of the SUBSIDIARIES of each party hereto. It shall not be otherwise assignable by either of the parties hereto, in whole or in part, to any third party whatsoever, nor shall the rights hereof of either of

the parties hereto otherwise be or become in any way, directly or indirectly, transferable or available to, or divisible or capable of being shared with, or inure to the benefit of any third party without the prior written consent of the other party hereto.

11.02 ACTIVISION shall be responsible for, and hereby assumes full liability in respect of all royalty reports and payment of royalties for all LICENSED PRODUCTS made, made for, used, sold, or otherwise disposed of by its SUBSIDIARIES during the term of this Agreement.

ARTICLE XII

MARKING

12.01 ACTIVISION agrees to mark in a reasonable manner all LICENSED PRODUCTS sold by it under the license herein granted with the word "Patents" or "Patent", respectively, and the numbers or number of the applicable patents or patent of the country of sale. MAGNAVOX shall give ACTIVISION timely notice of any additional patents issuing pertaining to LICENSED PRODUCTS.

ARTICLE XIII

CONVERSION OF LICENSOR LICENSE WITH SANDERS TO A NONEXCLUSIVE LICENSE

13.01 In the event that MAGNAVOX converts its license from SANDERS to a nonexclusive license, then ACTIVISION shall from the date of notice of such conversion to a nonexclusive license, consider SANDERS the licensor in this Agreement and shall make all payments and be responsible for all obligations under this Agreement to SANDERS.

either party to exercise or avail itself of any right, power, or privilege that it has or may have hereunder operate as a waiver of any such right, power or privilege by such party.

15.02 If any term, clause or provision of this Agreement shall be judged to be invalid, the validity of any other term, clause, or provision shall not be affected; and such invalid term, clause, or provision shall be deemed deleted from the contract.

ARTICLE XVI

GOVERNING LAW

16.01 This Agreement shall be governed by and construed, and any claim or controversy arising with respect thereto shall be determined, in accordance with the laws of the State of New York, except that jurisdiction and venue for any dispute with respect to this Agreement shall be the United States District Court for the Northern District of California and the laws of California shall apply with respect to jurisdiction and choice of venue.

ARTICLE XVII

COMPLIANCE WITH LAWS OF PERTINENT GOVERNMENTS

17.01 Each party shall at all times comply, at its own expense, with all applicable laws, regulations, and orders of any government and all departments, instrumentalities, or political subdivisions thereof, relating to or in any way affecting this Agreement and the performance of its obligations hereunder. ACTIVISION shall, at its own expense,

negotiate and obtain any approval, license, or permit it may need in the performance of its obligations; shall declare, record, or take such other steps as required to render this Agreement binding; and shall make all payments required of it under this Agreement.

ARTICLE XVIII

ASSIGNMENT

18.01 Except as otherwise provided herein, ACTIVISION shall not assign, transfer, sublicense, sublet, or encumber its interest in this Agreement or rights granted herein in any manner without the written consent of MAGNAVOX.

ARTICLE XIX

MORE FAVORABLE TERMS

19.01 In case MAGNAVOX shall hereinafter grant a license under any LICENSED PATENTS under which a license is granted hereunder to any third party manufacturer of consumer or home type amusement games in the United States of America, other than a company in which MAGNAVOX has a substantial interest, direct or indirect, such as N.V. Philips' Gloeilampenfabrieken, or any of its subsidiaries, of the same scope as the license herein granted at rates of royalty lower than that provided for in this Agreement (excepting settlements of past damages made pursuant to a settlement of a dispute or a court decision and licenses the consideration for which consists in whole or in part of patent rights or other rights of such substantial value as in the opinion of MAGNAVOX are sufficient to warrant a reduction in royalty

rates below the rates provided for herein, or the acceptance of such rights in lieu of royalties), MAGNAVOX shall notify ACTIVISION in writing of the grant of such license and ACTIVISION shall, at its election exercisable at any time within thirty (30) days after receipt of such notice, be entitled to such lower royalty rate from the date such license agreement was entered into with said third party until the date of termination of such third party license agreement, at which time the terms of this License Agreement will again take effect, provided that ACTIVISION at the same time also accepts any less favorable terms and conditions in such third party license agreement.

ARTICLE XX

INTEGRATION

20.01 This instrument and the SETTLEMENT AGREEMENT contain the entire and only agreement between the parties and supersede all pre-existing agreements between them respecting its subject matter. No modification, renewal, extension, waiver, and (except as provided in Article VII hereof) no termination of this Agreement or any of its provisions shall be binding upon the party against whom enforcement of such modification, renewal, extension, waiver, or termination is sought, unless made in writing and signed on behalf of such party by one of its executive officers, or in the case of MAGNAVOX, by a duly authorized officer or the Director of Licensing. As used in this Article XX the word "termination" includes any and all means of bringing to an end prior to its expiration by its own terms this Agreement, or any provision thereof, whether by release, discharge, abandonment, or otherwise.

ARTICLE XXI

COUNTERPARTS

It is agreed that counterparts of this agreement will be signed by the respective parties, each of which shall be deemed to be an original, and all of which together shall constitute one and the same agreement. Thereafter, said counterparts will be signed by all parties, one to be retained by each of said parties.

IN WITNESS WHEREOF, the parties hereto cause their corporate names to be affixed by their respective duly authorized officers or representatives.

THE MAGNAVOX COMPANY

By_____

Attest: Title_____

_____ Date_____

ACTIVISION, INC.

By_____

Attest: Title_____

_____ Date_____

ARGENTINA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401D	243,732	08/24/72	201,824	04/24/75
D-2580	243,733	08/24/72	208,872	03/15/77

AUSTRALIA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	52,329	03/21/69	440,524	03/27/74
D-2401A	12,777	03/19/70	440,977	04/11/74
D-2560	51,980	03/17/69	429,985	04/10/73
D-2580	14,365/70	04/27/70	442,967	05/10/74
D-2837	15,257	05/19/70	441,126	03/25/74
D-3120A	68,922/74	05/14/74	478,656	04/15/77

BELGIUM

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	--Withdrawn and refiled as D-2401A			
D-2401A	79,290	09/19/69	739,124	03/19/70
D-2560	71,443	03/18/69	730,002	09/18/69
D-2580	89,546	05/27/70	751,008	11/27/70
D-2837	92,892	08/17/70	754,932	02/17/71
D-3120A	144,829	05/28/74	815,628	09/16/74

CANADA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	045,885	03/17/69	934,056	09/18/73
D-2401A	069,111	12/05/69	948,400	06/04/74
D-2560	045,884	03/17/69	895,028	03/07/72
D-2580	075,965	02/26/70	920,160	01/30/73
D-2580re	236,739	09/30/75	993,001	07/13/76
D-2837	080,392	04/17/70	911,484	10/03/72
D-2837A	141,190	05/03/72	927,864	06/05/73
D-2837re	236,711	09/30/75	999,888	11/16/76
D-2401re	286,872	09/16/77	1,148,250	06/14/83
D-3120A	201,026	05/28/77	1,010,464	05/17/77
D-3439	275,161	03/30/77	1,111,546	10/27/81

FRANCE

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	69.07714	03/18/69	69.07714	03/14/74
D-2560	69.07715	03/18/69	69.07715	03/17/71
D-2580	70/19,368	05/27/70	70.19368	07/12/76
D-2837	70/29,530	08/11/70	70.29530	05/17/76
D-3120A	74/18,382	05/28/74	74.18382	12/18/78

GREAT BRITAIN

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	13,242	03/13/69	1,268,821	07/26/72
D-2401A	43,036	09/08/70	1,268,822	07/26/72
D-2560	13,243/69	03/13/69	1,255,224	03/29/72
D-2580	25,007	05/22/70	1,318,051	09/19/73
D-2580A	6324/73	05/22/70	1,319,410	10/03/73
D-2837	38,506	08/10/70	1,328,223	12/27/73
D-3120A	23712/74	05/29/74	1,472,480	08/31/77
D-3439	16153/77	04/19/77	1,566,337	07/02/80

GREECE

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401D	44	08/19/72	45,937	10/31/72
D-2580	45	08/19/72	46,582	08/19/72
D-2580re	4943	08/01/74	51,156	01/17/75
D-2401DR	57881	12/22/78	57,881	

HOLLAND

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	69/04775	03/14/69	153,404	09/17/77
D-2560	69/03946	03/27/69	154,894	02/18/78
D-2580	70/07591	05/26/70	152,422	06/16/77
D-2401A	77/06407	06/10/77	171,953	05/04/83
D-3120A	74/06530	05/15/74		

HONG KONG

Docket No.	Reg. No.	Reg. Date	Patent No.	Issue Date
D-2401	75/1976	02/12/76	75/1976	02/12/76
D-2580A	76/1976	02/12/76	76/1976	02/12/76
D-2837	77/1976	02/12/76	77/1976	02/12/76
D-2401A	483/1977	09/22/77	483/1977	09/22/77
D-2580	484/1977	09/22/77	484/1977	09/22/77
D-3120A			578/1977	11/17/77
D-3439			506/1980	09/11/80

INDIA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401D	1531/72	09/28/72	136.499	09/28/72

ISRAEL

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	31,836	03/18/69	31,836	07/28/72
D-2401A	38,735	02/10/72	38,735	05/29/73
D-2560	31,826	03/17/69	31,826	03/30/72
D-2580	33,915	02/02/70	33,915	05/29/73
D-2580A	41,011	12/06/72	41,011	05/29/73
D-3120A	44,575	04/04/74	44,575	01/05/77

ITALY

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2560	14,194A/69	03/17/69	961,012	12/10/73
D-2401A	24,773A/70	05/18/70	897,269	11/15/71
D-2580	24,954A/70	05/22/70	893,433	10/01/71
D-2837	28,773A/70	08/19/70	901,545	01/03/72
D-3120A	23,194A/74	05/27/74	1,019,625	11/30/77
D-3439	49,030A/77	04/20/77		

JAPAN

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	27,171/69	04/08/69	1,143,533	04/26/83
D-2401A	46,828/70	05/30/70	765,636	07/11/74
D-2560	21,204/69	03/18/69	768,992	11/08/74
D-2580	44,908/70	05/27/70	778,416	08/12/74
D-2580A	119828/74	10/16/74	852,060	11/12/76
D-2837	71,143/70	08/12/70	811,493	09/12/75
D-3120A	61,424/74	05/29/74		
D-3439	47,280/77	04/22/77		

KOREA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-3439	955/77	04/20/77		

MEXICO

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401C	136,581	06/28/72	141,144	02/13/80
D-2580	136,584	06/28/72	140,468	10/30/79
D-2837	136,583	06/28/72	141,091	01/29/80

PHILIPPINES

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-3439	19601	03/30/77		

SINGAPORE

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2580A	380/1975	10/17/75	380/1975	02/13/76
D-2837	381/1975	10/17/75	381/1975	02/13/76
D-3439	354/1980	08/14/80	354/1980	09/03/80

SWEDEN

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2560	3521/70	03/13/69	368,467	10/10/74
D-2580	6931	05/20/70	364,186	05/30/74
D-2837	11,255/70	08/18/70	7011255-2	11/13/75
D-2837A	15697-7	12/13/74	7,415,697-7	09/20/79
D-3120A	74/070,442	05/28/74	7,407,044-2	05/18/77
D-2401-1	7800417-3	01/13/78	7800417-3	01/22/81
D-2401-1	7800418-1	01/13/78	7800418-1	01/22/81
D-2401-3	7800419-9	01/13/78	7800419-9	01/22/81

SWITZERLAND

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2560	4101	03/17/69	512.864	09/15/71
D-2401A	4689/70	03/28/70	512.865	09/15/71
D-2580	7,777/70	05/25/70	529.491	10/15/72
D-2837	012,306/70	08/13/70	534.989	03/15/73
D-3120A	7340/74	05/28/74	600,718	12/15/77

TAIWAN

Docket No.	Serial No.	Filing Date	Patent No.	Issue Date
D-3439	66/1054B	03/25/77	11669	09/10/79

UNITED STATES

Docket No.	Serial No.	Filing Date	Patent No.	Issue Date
D-2432	713,862	03/18/68	3,497,829	02/24/70
D-2560	713,818	05/24/68	3,599,221	08/10/71
D-2580	828,154	05/27/69	3,659,284	04/25/72
D-2837	851,865	08/21/69	3,659,285	04/25/72
D-2401C	096,033	12/08/70	3,737,566	06/05/73
D-2401D	126,966	03/22/71	3,728,480	04/17/73
D-2580B	154,162	06/17/71	3,778,058	12/11/73
D-2401B	062,691	08/10/70	3,829,095	08/13/74
D-2580Re	464,256	04/25/74	Re 28,507	08/05/75
D-2837Re	464,023	04/25/74	Re 28,598	10/28/75
D-3120A	445,027	02/22/74	3,921,161	11/18/75
D-3248	574,113	05/25/75	4,034,990	07/12/77
D-2401B-Re	810,542	06/27/77		
D-2401D-Re	810,538	06/27/77		
D-3439A	922,451	07/13/78	4,194,198	03/18/80

VENEZUELA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401D	1572-72	08/18/72	30.146	10/26/73
D-2580	1571-72	08/18/72	30.171	10/29/73
D-2580A	2581-74	12/19/74	33,789	06/10/76
D-2401DR	2119-77	11/04/77	39,070	

WEST GERMANY

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2401	P1917437.9	04/03/69		
D-2560	P1913722.5	03/18/69	1,913,722	03/10/78
D-2580	P2017312.0	04/10/70	2,017,312	01/10/74
D-2837	P2030959.5	06/23/70	2,030,959	12/20/73
D-3120A	P2426249.5	05/29/74	2,426,249	06/13/80
D-3439	P2714670.9	04/01/77	2,714,670	01/08/79

WEST MALAYSIA

Docket No.	Filing No.	Filing Date	Patent No.	Issue Date
D-2580A	260/75	12/09/75	260/75	12/09/75
D-2837	261/75	12/09/75	261/75	12/09/75
D-3439			210/81	07/23/81