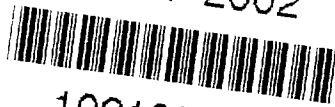


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Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)
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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):
Zidell Valve Corporation, an Oregon corporatio
5-20-02
 Individual(s) Association
 General Partnership Limited Partnership
 Corporation-State
 Other _____
Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies)
Name: Diamond Gear Company, Ltd
Internal
Address: Suite 600 of address below
Street Address: 6300 West By Northwest Blvd.
City: Houston State: TX Zip: 77040
 Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership Texas
 Corporation-State _____
 Other _____
If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____
Execution Date: March 1, 1997

4. Application number(s) or registration number(s):
A. Trademark Application No.(s) _____

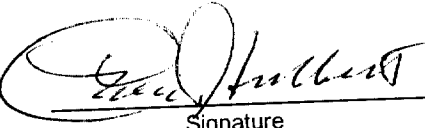
B. Trademark Registration No.(s) 1,969,858 and
2,204,776
Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Charles E. Hulbert
Internal Address: _____

Street Address: 6300 West By Northwest Blvd.,
Suite 600
City: Houston State: TX Zip: 77040

6. Total number of applications and registrations involved: **2**
7. Total fee (37 CFR 3.41).....\$ 65.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.
Charles E. Hulbert  5-6-02
Name of Person Signing Signature Date
Total number of pages including cover sheet, attachments, and document: **12**

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

05/23/2002 TDIAZ1 00000074 1969858

01 FC:481
02 FC:482

40.00 DP
25.00 DP

TRADEMARK
REEL: 002512 FRAME: 0497

1/12

PURCHASE AND SALE AGREEMENT

Agreement dated as of March 1, 1997, by and between Zidell Valve Corporation, an Oregon corporation ("ZVC"), and Diamond Gear Company, Ltd., a Texas limited partnership ("DGC").

WITNESSETH:

WHEREAS, ZVC has marketed a line of bevel gear operators and worm gear operators and related accessories manufactured by others (the "Gear Products") under the name "Diamond" and under the trademark listed on Exhibit A hereto (the name "Diamond" and such trademark are, collectively, the "Diamond Marks"); and

WHEREAS, the trademark included in the Diamond Marks is registered with the United States Patent and Trademark Office ("PTO") under registration number 1,969,858 and ZVC's application to register the name "Diamond" as a trademark has been refused by the PTO; and

WHEREAS, DGC desires to purchase, and ZVC is willing to sell, all of ZVC's right, title and interest in and to ZVC's inventory of Gear Products using the Diamond Marks which are on hand at ZVC's warehouse and not committed for sale to others as of the opening of business on March 1, 1997 and all of ZVC's right, title and interest in and to the Diamond Marks;

NOW, THEREFORE, in consideration of the mutual agreements set forth below, the parties agree as follows:

1. Sale of Inventories and Diamond Marks. Effective as of March 1, 1997, ZVC hereby sells, assigns and delivers to DGC, and DGC hereby purchases, all of ZVC's right, title and interest in and to all of ZVC's inventory of Gear Products using the Diamond Marks which are on hand at ZVC's warehouse located at 10600 Corporate Drive, Stafford, Texas and branch locations and not committed for sale to others as of the opening of business on March 1, 1997, all as set forth in the list attached as Exhibit B hereto, and (b) all of ZVC's right, title and interest in and to the Diamond Marks and any related application for trademark registration at the PTO, common law rights and goodwill, in each case free and clear of all security interests or other encumbrances created by ZVC.

2. Purchase Price. The purchase price for the Gear Products is \$388,844 and the purchase price for the Diamond Marks and related application for trademark registration at the PTO, common law rights and goodwill is \$5,000 (together, the "Purchase Price"). The Purchase Price shall be paid to ZVC thirty (30) days after execution hereof.

3. Existing Purchase Orders. Set forth on Exhibit C hereto is a list of orders placed by ZVC prior to March 1, 1997 for additional inventories of Gear Products to be sold under the Diamond Marks. ZVC will receive such inventories for the account of DGC and, as DGC's agent, will pay the amounts due under the invoices therefore. ZVC shall advise DGC of the receipt of such inventories and the amounts due under the invoices therefore, and DGC shall promptly provide to ZVC good funds for use in making the payment required by such invoices. If ZVC is required to advance any funds to make a payment under an invoice for additional inventories, such advanced funds shall bear interest at the rate of ten percent (10%) per annum from the date of the advance until such advance is repaid by DGC to ZVC.

4. "As Is." The assets being sold, assigned and delivered to DGC are being transferred to DGC "AS IS, WHERE IS," WITHOUT REPRESENTATION OR WARRANTY BY ZVC OF ANY KIND, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. DGC acknowledges that the PTO has refused registration with respect to the application by ZVC for the mark "Diamond," and that ZVC makes no representation whatsoever that DGC will be able to register the mark "Diamond" with the PTO.

5. Risk of Loss. The risk of loss, damage, impairment, confiscation or condemnation of the Gear Products being sold from any cause shall be borne at all times on and after March 1, 1997 by DGC.

6. Further Assurances. ZVC and DGC will, at any time, and from time to time on and after the date hereof, upon the request of the other party and without further consideration, execute, acknowledge and deliver to the requesting party, all further deeds, assignments, conveyances, transfers, powers of attorney and other documents and instruments as may be reasonably required to assign, sell and transfer to DGC or vest in DGC the title to the Diamond Marks and the Gear Products being sold to DGC hereby.

7. Representations and Warranties of DGC. DGC represents and warrants to ZVC as follows as of the date hereof:

(a) DGC is a limited partnership duly formed and existing under the laws of the State of Texas and has all the necessary power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted.

(b) DGC has full power and authority to enter into this Agreement and carry out the terms hereof. DGC has taken all action necessary to authorize it to execute, deliver and perform this Agreement. DGC has duly executed and delivered this Agreement, and this Agreement is DGC's valid and binding obligation, enforceable against DGC in accordance with its terms, except as enforceability may be limited by or subject to any bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors and except as enforceability may be limited by rules of law governing specific performance, injunctive relief or other equitable remedies.

(c) DGC has been given an opportunity to perform such due diligence and conduct such investigation with respect to the assets being purchased as it has deemed necessary or desirable.

8. Representations and Warranties of ZVC. ZVC represents and warrants to DGC as follows as of the date hereof:

(a) ZVC is a corporation duly incorporated and existing under the laws of the State of Oregon and has all the necessary power and authority to own, lease and operate its properties and assets and to carry on its business as now conducted.

(b) ZVC has full power and authority to enter into this Agreement and carry out the terms hereof. ZVC has taken all action necessary to authorize it to execute, deliver and perform this Agreement. ZVC has duly executed and delivered this Agreement, and this Agreement is ZVC's valid and binding obligation, enforceable against ZVC in accordance with its terms, except as enforceability may be limited by or subject to any bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights of creditors and except as enforceability may be limited by rules of law governing specific performance, injunctive relief or other equitable remedies.

(c) ZVC has been given an opportunity to perform such due diligence and conduct such investigation with respect to the assets being purchased as it has deemed necessary or desirable.

9. Marketing Agreement. As a condition to the execution and delivery of this Agreement by ZVC, DGC shall execute and deliver the Marketing Agreement in the form attached as Exhibit D hereto.

10. Corporate Opportunity. ZVC understands that certain employees of ZVC own DGC, and ZVC agrees that it will not assert any claims that such employees have usurped a corporate opportunity of ZVC as a result of the transactions contemplated by this Agreement and the Marketing Agreement.

12. Miscellaneous.

(a) Survival of Representations, Warranties and Agreements. All representations and warranties and statements made in this Agreement or in any document or certificate delivered pursuant hereto shall survive the date hereof.

(b) Expenses. Each of the parties hereto shall bear and pay their own costs, expenses and fees incurred in connection with the preparation, execution and delivery of this Agreement and the performance of the obligations hereunder.

(c) Notice. All communications, notices, requests, consents or demands given or required under this Agreement shall be in writing and shall be deemed to have been duly given when delivered to, or received by prepaid registered or certified mail or recognized overnight courier addressed to, or upon receipt of a facsimile sent to, the party for whom intended, as follows, or to such other address or facsimile number as may be furnished by such party by notice in the manner provided herein:

If to ZVC:

Zidell Valve Corporation
10600 Corporate Drive
Stafford, Texas 77477
Attention: David Scott, President
Tel: (281) 565-1010
Fax: (281) 565-6413

in each case with a copy to:

Christy & Viener
620 Fifth Avenue
New York, New York
Tel: (212) 632-5500
Fax: (212) 632-5555
Attention: Richard A. Anderman, Esq.

If to DGC:

Diamond Gear Company, Ltd.
19803 Gulfwind Court
Houston, Texas 77094
Tel: (281) 594-0094

(d) Entire Agreement. This Agreement and the exhibits hereto and the instruments and agreements to be executed pursuant to this Agreement, sets forth the entire understanding of the parties hereto with respect to its subject matter, merges and supersedes all prior and contemporaneous understandings with respect to its subject matter and may not be waived or modified, in whole or in part, except by a writing signed by each of the parties hereto. No waiver of any provision of this Agreement in any instance shall be deemed to be a waiver of the same or any other provision in any other instance. Failure of any party to enforce any provision of this Agreement shall not be construed as a waiver of its rights under such provision.

(e) Successors and Assigns. This Agreement shall be binding upon, enforceable against and inure to the benefit of, the parties hereto and their respective successors and assigns, and nothing herein is intended to confer any right, remedy or benefit

upon any other person. This Agreement may not be assigned by any party hereto except with the prior written consent of the other party, which consent shall not be unreasonably withheld.

(f) Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Texas applicable to agreements made and fully to be performed in such state, without giving effect to conflicts of law principles.

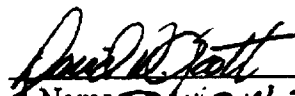
(g) Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(h) Construction. Headings contained in this Agreement are for convenience only and shall not be used in the interpretation of this Agreement.

(i) Severability. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, this Agreement shall be interpreted and enforceable as if such provision were severed or limited, but only to the extent necessary to render such provision and this Agreement enforceable.

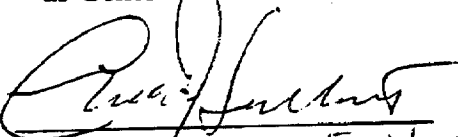
IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date first set forth above.

ZIDELL VALVE CORPORATION

By: 
Name: DAVID W. SCOTT
Title: PRESIDENT

DIAMOND GEAR COMPANY, LTD.

By: Diamond Gear Management LLC.
as General Partner

By: 
Name: CHARLES E. HULBERT
Title:

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The United States of America



CERTIFICATE OF REGISTRATION

This is to certify that the records of the Patent and Trademark Office show that an application was filed in said Office for registration of the Mark shown herein, a copy of said Mark and pertinent data from the Application being annexed hereto and made a part hereof,

And there having been due compliance with the requirements of the law and with the regulations prescribed by the Commissioner of Patents and Trademarks,

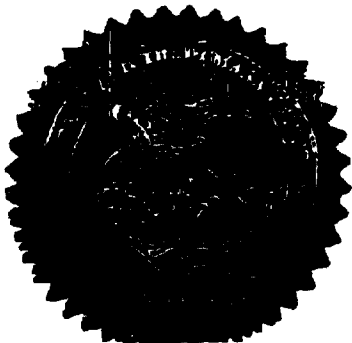
Upon examination, it appeared that the applicant was entitled to have said Mark registered under the Trademark Act of 1946, as amended, and the said Mark has been duly registered this day in the Patent and Trademark Office on the

PRINCIPAL REGISTER

to the registrant named herein.

This registration shall remain in force for TEN years unless sooner terminated as provided by law.

In Testimony whereof I have hereunto set my hand and caused the seal of the Patent and Trademark Office to be affixed this twenty-third day of April 1996.



Bruce Lehman

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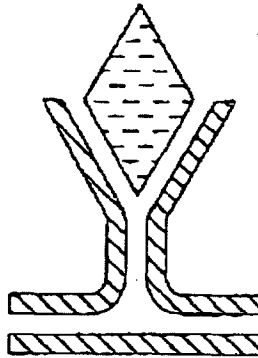
Int. Cl.: 7

Prior U.S. Cls.: 13, 19, 21, 23, 31, 34 and 35

United States Patent and Trademark Office

Reg. No. 1,969,858
Registered Apr. 23, 1996

**TRADEMARK
PRINCIPAL REGISTER**



ZIDELL VALVE CORPORATION (OREGON CORPORATION)
10410 PAPALOTE ST., SUITE 190
HOUSTON, TX 77041

FOR: ACTUATORS IN THE NATURE OF GEAR OPERATORS FOR VALVES, IN CLASS 7 (U.S. CLS. 13, 19, 21, 23, 31, 34 AND 35).
FIRST USE 8-12-1994; IN COMMERCE 6-12-1994.

THE MARK IS LINED FOR THE COLORS GREEN AND GREY, BUT COLOR IS NOT CLAIMED AS A FEATURE OF THE MARK.

SER. NO. 74-666,571, FILED 6-21-1995.

ANTHONY R. MASIELLO, EXAMINING ATTORNEY

TICE

by the Commissioner of Patents and following the date of registration, unless expiration of such six years, the registrant Office an affidavit showing that said wing that its name is due to special use and is not due to any invention to 10 for each class must accompany the

8/12

**UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office**

RECEIVED

JAN 9 1997

ZIDELL

SERIAL NO. 75/131715 ZIDEL VALVE CORPORATION		APPLICANT		PAPER NO.	
MARK DIAMOND		ADDRESS: Assistant Commissioner for Trademarks 2900 Crystal Drive Arlington, VA 22202-3513		If no fees are enclosed, the address should include the words "Box Responses - No Fee." Please provide in all correspondence: 1. Filing Date, serial number, mark and Applicant's name. 2. Mailing date of this Office action. 3. Examining Attorney's name and Office number. telephone number and ZIP code.	
ADDRESS Richard J. McCain ZIDELL VALVE CORPORATION 3121 S.W. Moody Avenue Portland, OR 97201		ACTION NO. 01			
		MAILING DATE 12/28/96			
		REF. NO.			
FORM PTO-1526 (5-90)		U.S. DEPT. OF COMM. PAT. & TM OFFICE			
TRADEMARK LAW OFFICE 104 Serial Number: 75/131715 Mark: DIAMOND					

Please Place on Upper Right Corner
 of Response to Office Action ONLY

RECEIVED WITHIN 6
 MONTHS OF ABANDONMENT.
 Label has been enclosed.

Please attach it to the upper right corner of your response. If the label is not enclosed, print or type the Trademark Law Office No., Serial No., and Mark in the upper right corner of your response.

RE: Serial Number: 75/131715

The assigned examining attorney has reviewed the referenced application and determined the following.

REGISTRATION REFUSED UNDER SECTION 2(d) OF THE TRADEMARK ACT

The examining attorney refuses registration under Trademark Act Section 2(d), 15 U.S.C. Section 1052(d), because the applicant's mark, when used on or in connection with the identified goods, so resembles the mark in U.S. Registration No. 1883326 as to be likely to cause confusion, to cause mistake, or to deceive. TMEP section 1207. See the enclosed registration.

The examining attorney must analyze each case in two steps to determine whether there is a likelihood of confusion. First, the examining attorney must look at the marks themselves for similarities in appearance, sound, connotation and commercial impression. *In re E. I. DuPont de Nemours & Co.*, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973). Second, the examining attorney must compare the goods or services to determine if they are related or if the activities surrounding their marketing are such that confusion as to origin is likely. *In re August Storck KG*, 218 USPQ 823 (TTAB 1983); *In re International Telephone and Telegraph Corp.*, 197 USPQ 910 (TTAB 1978); *Guardian Products Co., v. Scott Paper Co.*, 200 USPQ 738 (TTAB 1978).

The mere addition of a term to a registered mark is not sufficient to overcome a likelihood of confusion under Section 2(d). *Coca-Cola Bottling Co. v. Joseph E. Seagram & Sons, Inc.*, 526

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FROM :

F.2d 556, 188 USPQ 105 (CCPA 1975) ("BENGAL" and "BENGAL LANCER"); *Lilly Pulitzer, Inc. v. Lilli Ann Corp.*, 376 F.2d 324, 153 USPQ 406 (CCPA 1967) ("THE LILLY" and "LILLI ANN"); *In re El Torito Restaurants Inc.*, 9 USPQ2d 2002 (TTAB 1988) ("MACHO" and "MACHO COMBOS"); *In re United States Shoe Corp.*, 229 USPQ 707 (TTAB 1985) ("CAREER IMAGE" and "CREST CAREER IMAGES"); *In re Corning Glass Works*, 229 USPQ 65 (TTAB 1985) ("CONFIRM" and "CONFIRMCELLS"); *In re Riddle*, 225 USPQ 630 (TTAB 1985) ("ACCUTUNE" and "RICHARD PETTY'S ACCU TUNE"); *In re Cosvetic Laboratories, Inc.*, 202 USPQ 842 (TTAB 1979) ("HEAD START" and "HEAD START COSVETIC").

The applicant's mark, Diamond, is similar to registrant's mark, Black Diamond, in that the only difference between the marks is the lack of the word "Black" in the applicant's mark. The deletion of the term is not sufficient to overcome the likelihood of confusion under Section 2(d), because the marks convey the same commercial impression. With respect to the goods, applicant's goods, actuators for valves, are similar to registrant's goods, internal combustion engine valves, in that the goods are the same or similar, and may be found in the same channels of trade, since the intended use for applicant's valves is unknown. Therefore, there exists a likelihood of confusion as to the source of the goods.

Although the examining attorney has refused registration, the applicant may respond to the refusal to register by submitting evidence and arguments in support of registration.

AFTER REFUSAL TO REGISTER-ADDRESS FOLLOWING INFORMALITIES

If the applicant chooses to respond to the refusal to register, the applicant must also respond to the following informalities.

TYPE OF COMMERCE UNACCEPTABLE

In the dates-of-use clause, the applicant relies on "bill of lading first import shipment" as a type of commerce. This is not acceptable because it is not a type of commerce which may lawfully be regulated by Congress. The applicant must amend the type of commerce to interstate, if accurate. TMEP section 904.03.

If this amendment requires a change in the dates of first use, the applicant must verify the amendment with an affidavit or a declaration under 37 C.F.R. Section 2.20. 37 C.F.R. Section 2.71(d)(1); TMEP section 904.05.

SIGNIFICANCE OF WORDING

The applicant must indicate whether DIAMOND has any significance in the relevant trade, any geographical significance or any meaning in a foreign language. 37 C.F.R. Section 2.61(b).

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FROM :

REQUIREMENT FOR MORE INFORMATION

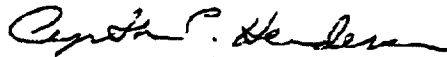
The applicant must submit information as to the intended use of the valves to permit proper consideration of the application. 37 C.F.R. Section 2.61(b); TMEP sections 1103.04 and 1105.02.

LIST PERTINENT INFORMATION ON RESPONSE

In all correspondence to the Patent and Trademark Office, the applicant should list the name and law office of the examining attorney, the serial number of this application, the mailing date of this Office action, and the applicant's telephone number.

TELEPHONE CALL ENCOURAGED FOR CLARIFICATION

If the applicant has any questions or needs assistance in responding to this Office action, please telephone the assigned examining attorney.



Cynthia C. Henderson
Examining Attorney
Law Office 104
(703) 308-9104 ext. 164

11/12
FROM :

1997.02-17 14:11 #350 P.10/19

TRADEMARK
REEL: 002512 FRAME: 0507

Word Mark
BLACK DIAMOND

Goods/Services

IC 007; US 013 023; G & S: internal combustion engine valves; FIRST USE
DATE: 1987.02.15; FIRST USE IN COMMERCE: 1987.02.15

Mark Drawing Code

(1) TYPED DRAWING

Serial Number

74-406500

Filing Date

1993.06.28

Registration Number

1883326

Registration Date

1995.03.14

Owner Name/Address

(REGISTRANT) PRECISION MACHINING, INC. CORPORATION CALIFORNIA 580 Crespi
Drive, Unit L-H Pacifica CALIFORNIA 94044

Type of Mark

TRADEMARK

Register

PRINCIPAL

*** Search: 9 *** Document Number: 32 ***

1997.02.17 14:11 #350 P.11/19

FROM :

RECORDED: 05/20/2002

TRADEMARK
REEL: 002512 FRAME: 0508

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