

EXHIBIT H-8

AGREEMENT made this 22 day of July, 1937 between FARNSWORTH TELEVISION INCORPORATED (a California corporation), hereinafter called "the Corporation", and PHILO T. FARNSWORTH, hereinafter called "Farnsworth".

Farnsworth is now employed by the Corporation under an agreement dated May 2, 1929. The parties desire to cancel that agreement and to enter into a new employment agreement upon the terms hereinbelow stated.

WHEREFORE, the parties hereto agree as follows:

1. The employment agreement between the parties dated May 2, 1929, as heretofore extended, is hereby cancelled as of the date hereof and each of the parties is hereby relieved of all further liability to the other thereunder.

2. (a) The Corporation hereby employs Farnsworth to render his exclusive services to the Corporation as Director of Research, to conduct, supervise, make and carry on research, discoveries, inventions and development in the fields of electrical picture transmission including television, photo-telegraphy and facsimile, wire and radio communication generally, electronics, sound and picture recording and reproduction and allied arts. Farnsworth shall determine the nature, extent and general fields of research in connection with which he personally shall from time to time make studies and investigations, but the Board of Directors of the Corporation, or such officer or officers as said Board of Directors may designate, shall determine the nature, extent and general field of research in which Farnsworth's subordinates shall be engaged, it being understood and agreed that Farnsworth shall at all times be supplied with the subordinates and physical equipment necessary to enable him to carry on his personal research.

(b) Farnsworth shall fully inform the Corporation from time to time of all processes, inventions, discoveries, formulae, methods of manufacture, ideas and other results of research by him and his subordinates in the fields of his employment and shall, whenever requested by the Corporation, embody the same in writing and deliver such writings to the Corporation.

(c) In connection with said employment, Farnsworth shall from time to time write such scientific articles and other writings as may be requested by the Corporation and shall permit the Corporation to publish the same in such manner as it may desire.

(d) Farnsworth shall keep confidential and shall not divulge in any manner to any persons other than the Corporation, whether in his writings or otherwise, any processes, inventions, discoveries, formulae, methods of manufacture or other results of research by him or his subordinates unless the prior consent of the Corporation shall have been obtained thereto.

3. Farnsworth hereby accepts said employment and agrees to devote his entire time and best efforts thereto during the term of this agreement and not to work for, engage in, or be otherwise directly or indirectly interested in any other business during such term except that nothing herein contained shall prevent his making investments in or acting as a member of the board of directors of, other businesses provided the same shall not be actually or potentially competitive with the business of the Corporation.

4. The term of this agreement shall begin on the date of this agreement and shall continue for ten (10) years thereafter, unless terminated prior thereto in any manner hereinafter provided for.

5. As full compensation for all services to be rendered hereunder, the Corporation agrees to pay to Farnsworth the minimum sum of Eight thousand (\$8,000.) dollars per annum, and such further amounts as the Corporation, by its Board of Directors, may from time to time determine; it being the intention of this agreement that said sum of Eight thousand (\$8,000.) dollars shall be the minimum rate of compensation payable to Farnsworth during the term hereof, and that the Corporation shall from time to time consider whether its financial condition and the value of Farnsworth's services warrant additional compensation for such services, in which event such additional compensation shall be authorized and paid by the Corporation. The amount of the minimum compensation provided for hereunder shall be payable in equal monthly installments.

6. The Corporation, its successors and assigns, shall be entitled to and shall own, solely and exclusively, all of the results, products and proceeds of the services of Farnsworth during the term of this agreement (including, without limitation of the generality of the foregoing, the sole and exclusive rights throughout the world of trademark, patent and copyright), whether such results, products and proceeds consist of mechanical devices, designs, ideas, materials, products, machines, processes, compositions of matter, articles of manufacture, formulae or any kinds of inventions; and Farnsworth does hereby assign, set over and transfer, and agrees to assign, set over and transfer, complete ownership to all of said results, products and proceeds without reservation, condition or limitation.

Farnsworth agrees to make such applications for Letters Patent of the United States and foreign countries on his inventions as may be desired by the Corporation and to assist the Corporation in all ways within his power to obtain the issuance of such patents and to sign and execute all documents, make all rightful oaths, testify in any appeals or interference procedures, and do such other lawful acts as may appear necessary or desirable to the Corporation to obtain the fullest protection on such inventions. Farnsworth further agrees to execute any such assignments as may appear to the Corporation to be necessary in order to transfer to the Corporation the entire right, title and interest in and to his inventions and to secure the issuance of patents thereon in the name of the Corporation or its designees.

Farnsworth will not transfer nor attempt to transfer any right, privilege, title or interest in, to or under any of the results, products and proceeds of his services hereunder, to any other person, firm or corporation. Farnsworth hereby authorizes the Corporation to institute any proper legal proceedings, in his name or otherwise, that it may deem necessary or advisable to prevent any infringement of its rights under this agreement and Farnsworth agrees to cooperate in such proceedings to the fullest extent.

7. Without limiting any of the rights or powers that Farnsworth may at any time have as an officer of the Corporation it is understood and agreed that as Director of Research Farnsworth shall not have power or authority to employ any person or persons to serve in any capacity for the Corporation, nor to contract for the purchase or rental or acquisition of any article or material nor to make any agreement or com-

mitment that will be binding upon the Corporation without the written approval of a duly authorized representative of the Corporation.

8. The Corporation shall have the right to use the name and likeness of Farnsworth at all times hereafter (such right not to terminate with the termination of this agreement) in connection with manufacturing, advertising, selling or distributing of any of its products and in connection with publicizing or in any manner exploiting the business and good will of the Corporation, such right to include the right to use Farnsworth's full name or the name of "Farnsworth" in any corporate name.

9. In the event that the Corporation may desire at any time or from time to time to apply, at its own cost and expense, in its own name or otherwise, for life, health, accident or other insurance covering Farnsworth, Farnsworth agrees that he shall have no right, title or interest in or to any such insurance, and that he will assist the Corporation in obtaining the same by submitting to the usual and customary medical and other examinations and by signing such applications and other instruments as may reasonably be required by any insurance company to which any such application shall be made.

10. In the event that by reason of mental or physical disability Farnsworth shall become totally and permanently incapacitated from rendering services hereunder, either party hereto shall have the right to cancel and terminate this agreement by delivery of written notice to the other stating the election so to terminate the agreement; and in the event of such termination the Corporation shall not be liable to Farnsworth for any compensation thereafter. In the event of the death of Farnsworth during the term of this agreement, this agreement shall terminate and the Corporation shall not be liable to Farnsworth for any compensation thereafter.

11. (a) This agreement, and all the rights of the Corporation hereunder, may be assigned from time to time, including successive assignments, to any corporation with which the Corporation is at present affiliated and/or to any corporation which may result from any merger, consolidation, transfer of assets or reorganization of the Corporation with any of the corporations with which it is now affiliated.

(b) This agreement, and all the rights of the Corporation hereunder, may be further assigned from time to time, including successive assignments, to any corporation, other than those referred to in subdivision (a) of this paragraph 11, which shall succeed to the business of the Corporation and which shall continue the research and development conducted by the Corporation; provided, however, that in the event of any such assignment under this subdivision (b) and in the further event that Farnsworth shall render his services in accordance with the terms of this agreement to any such assignee corporation for not less than six months and shall be of the opinion that such circumstances in connection with his employment and the performance of his duties hereunder exist or have arisen that effective work can not be done by him, Farnsworth shall then have the following right: Farnsworth may at any time or times serve written notice upon such assignee corporation stating that in his opinion effective work can not be done and that he desires this agreement to be terminated. Upon receipt of any such notice said assignee corporation shall, within seven days thereafter, either accept such offer of termination or shall notify Farnsworth that it desires him to submit to arbitrators the facts bearing upon the issue of whether the conditions of employment are such that effective work can not be done by Farnsworth. In the event that said assignee corporation shall so

request such arbitration, then Farnsworth and said assignee corporation shall each select an arbitrator and the two persons so selected shall select a third arbitrator; and in the event that the two persons so selected shall be unable, within three days after their selection, to agree upon a third arbitrator, such third arbitrator shall be designated by the American Arbitration Association. Each of the parties shall then be given a full opportunity to present evidence to such three arbitrators with respect to its contentions, and each of the parties shall accept the decision of the majority of said three arbitrators as final and binding on the issue of whether such circumstances in connection with his employment and the performance of his duties hereunder exist or have arisen that effective work can not be done by Farnsworth. In the event that the majority of said arbitrators shall decide said issue in favor of Farnsworth, then this agreement shall come to an end as of the date which shall be specified by said majority of the arbitrators. In the event that the majority of said arbitrators shall decide said issue against Farnsworth, then the employment of Farnsworth hereunder shall continue in full force and effect, pursuant to the terms hereof.

12. In the event that at any time after five years from the date hereof Farnsworth shall be of the opinion that the conditions of employment with the Corporation or with any corporation that may have succeeded to this agreement under paragraph 11 (a) above are such that effective work can not be done by him, Farnsworth shall have the right to serve written notice upon the Corporation in the manner set forth in paragraph 11 above; and in the event that Farnsworth shall give such notice to the Corporation, the Corporation shall thereupon have the same right of acceptance of such offer of termination or of requesting an arbitration as is set forth in said paragraph 11 above. In the event such arbitration is requested, it shall proceed in the manner set forth in said paragraph 11 and shall have the same force and effect as set forth in said paragraph 11.

13. It is further understood and agreed that in the event that Farnsworth shall at any time fail to be elected a Director of the Corporation (or of any assignee corporation which may have succeeded to this agreement under paragraph 11 (a) above) Farnsworth shall have the right, at his election, to terminate this agreement by serving written notice to that effect on the Corporation (or upon such corporation which may have succeeded to this agreement under paragraph 11 (a) above) within sixty days after the date when Farnsworth ceased to be such a director.

14. Farnsworth agrees that (a) he will not at any time hereafter, including any period after the termination of this agreement, use or authorize others to use his full name or the name of "Farnsworth" or his likeness as a trade-mark and/or as part of any corporate name or in any similar manner in connection with any business; and (b) that after the termination of this agreement by the expiration of its term or by any prior termination thereof (unless such prior termination shall constitute or be due to a breach of this agreement by the Corporation or any assignee corporation) he shall continue to be bound by the obligations set forth in paragraph 6 hereof with respect to all results, products and proceeds of the services of Farnsworth during his employment under this agreement and by the obligations set forth in paragraph 2 (d) hereof.

15. All notices which the Corporation is required or may desire to give to Farnsworth hereunder may be given by addressing the same to Farnsworth at 127 East Mermaid Lane, Philadelphia, Pennsylvania, or at such other place as Farnsworth may from time to time designate in

writing, and by depositing the same, so addressed, postage prepaid, in the United States mail. All notices which Farnsworth is required or may desire to give to the Corporation hereunder may be given by addressing the same to the Corporation at 127 East Mermaid Lane, Philadelphia, Pennsylvania, or at such other place as the Corporation may from time to time designate in writing, and by depositing the same, so addressed, postage prepaid, in the United States mail. The date of mailing of any such notice shall be deemed to be the date of the service thereof.

16. It is understood and agreed by and between the parties that the services to be rendered by Farnsworth hereunder and the rights and privileges granted to the Corporation by Farnsworth hereunder are of a special, unique and extraordinary character, which gives them a peculiar value, the loss of which cannot be reasonably or adequately compensated in damages in an action at law, and that a breach by Farnsworth of the provisions of this agreement shall cause the Corporation irreparable injury and damage.

17. This agreement in all respects shall be subject to and governed by the laws of the State of New York.

18. No waiver by either party of any breach of any condition or term or provision hereof to be kept, complied with or performed by the other party hereunder shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other condition or term or provision thereof.

19. This agreement shall be binding upon the parties hereto and the successors and assigns of the Corporation as hereinabove authorized and the executors and administrators of Farnsworth; it being specifically understood, without limitation of the foregoing, that Farnsworth's executors or administrators, as the case may be, will execute and deliver to the Corporation whatever instruments the Corporation may reasonably require to evidence or enforce any of the rights provided to be obtained by the Corporation pursuant to paragraph 6 hereof.

20. This agreement constitutes the entire agreement between the parties hereto and can not be modified except by a written instrument signed by the parties hereto.

WITNESS due execution hereof as of the day and year first above written.

FARNSWORTH TELEVISION INCORPORATED
By GEORGE EVERSON

PHILO T. FARNSWORTH (L. S.)
Philo T. Farnsworth