

# Cyber Imaging Systems, Inc. Awarded Damages in Commercial Arbitration Case against Eyelation, LLC.

Raleigh, North Carolina. November 3, 2014: In a binding Arbitration between direct competitors, the American Arbitration Association has ordered Eyelation, LLC (Homewood, IL) to pay Cyber Imaging Systems, Inc. (Raleigh, NC) damages for Eyelation's breach of contract in a decision rendered in Chicago, IL in November 2013. The Arbitrator found that Eyelation 'materially' breached the software development Agreement and compensated Cyber Imaging Systems, Inc. (CyberImaging) by requiring that Eyelation make all payments that were required under the 10-year agreement. The estimated value of the award ranges from \$4.5 million to \$7.0 million based on the actual safety eyewear sales by Eyelation. The Arbitrator also included all sales made under the third-party agreement with Honeywell and any other current or future distributor for Eyelation.

## CASE BACKGROUND

Cyber Imaging Systems, Inc. and Eyelation, LLC entered into a Software Development and Technology Licensing Agreement on October 26, 2009. Under the 10-year exclusive Agreement, CyberImaging would develop and deliver a customized version of its' CyberEYESVTO software to Eyelation. In exchange, Eyelation was to pay to CyberImaging a royalty fee on every pair of safety glasses sold by Eyelation as well as certain fees for any third party licensing of the software. No one else, including CyberImaging could use the software. CyberImaging delivered the software and Eyelation initially made the royalty payments. However, 1 year later, because CyberImaging would not assign its intellectual property to Eyelation, Eyelation ceased making royalty payments as required under the Software Development and Technology Licensing Agreement.

The case went to binding Arbitration in Chicago and the Arbitrator issued an award requiring Eyelation to pay the royalty for each sale made at an Eyelation kiosk to CyberImaging. The amount of the award is the full and complete payment of the 10-year royalty stream that was outlined in the original agreement. The award is estimated to have a value of \$4.5 million to \$7.0 million depending on the actual sales generated over the 10-year term.

Significantly, the AAA award also relieved CyberImaging of the exclusivity restrictions of the Agreement, thereby allowing CyberImaging to compete directly against Eyelation. The

Arbitrator ordered Eyelation to pay ‘every penny’ that Cyber Imaging was promised under the Agreement and, at the same time, rejected arguments by Eyelation to restrict CyberImaging from operating in the safety eyewear market with its’ Eyeweb product. Thus, CyberImaging’s customer base continues to grow as it continues to further develop the software for platforms such as tablets, mobile devices, desktop computers and kiosks, and at the same time, receives monthly royalty payments from Eyelation.

**About Cyber Imaging Systems, Inc**

Cyber Imaging Systems, Inc. provides try on imaging technologies for online eyewear ([www.eyeweb.com](http://www.eyeweb.com)) and safety eyewear applications ([www.eyewebsafety.com](http://www.eyewebsafety.com)). The company also licenses its’ patented digital measurement tools which enables online retailers to remotely calculate digital eyeglass measurements. The company serves corporate customers with the Eyeweb platform that provides enterprise-wide prescription safety eyewear programs across geographically disbursed locations. For more complete information about Eyeweb programs visit [www.eyewebsafety.com](http://www.eyewebsafety.com) and [www.cyber-imaging.com](http://www.cyber-imaging.com).