

RECORD

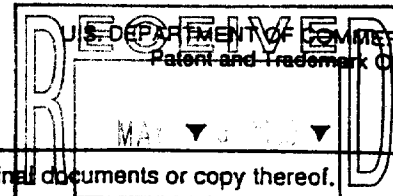
05-12-1999

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

Tab settings 5.3.99 TR



101036011



original documents or copy thereof.

Name of conveying party(ies):
PHOTON DYNAMICS, INC.

2. Name and address of receiving party(ies)

Name: SILICON VALLEY BANK

Internal Address: MAIL SORT HGL50

Street Address: 3001 TASMAN DRIVE

City: SANTA CLARA State: CA ZIP: 95054

Individual(s) Association
General Partnership Limited Partnership
 Corporation-State CALIFORNIA
Other _____

Individual(s) citizenship _____
 Association _____
 General Partnership _____
 Limited Partnership _____
 Corporation-State CALIFORNIA
 Other _____

Additional name(s) of conveying party(ies) attached? Yes No

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

Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: 3/25/99

Application number(s) or patent number(s):

A. Trademark Application No.(s)

B. Trademark Registration No.(s)

75/394,400 74/369,677
2,141,905

Additional numbers attached? Yes No

Name and address of party to whom correspondence concerning document should be mailed:

6. Total number of applications and registrations involved: 3

Name: SILICON VALLEY BANK

Internal Address: MAIL SORT HGL50

Street Address: 3001 TASMAN DRIVE

City: SANTA CLARA State: CA ZIP: 95054

05/12/1999 DNGUYEN 00000085 75394400

01 FC:481 40.00 DP
02 FC:482 50.00 DP

DO NOT USE THIS SPACE

Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

JOSEPHINE M. CARINO

Josephine M. Carino

4/12/99

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and document: 7

Mail documents to be recorded with required cover sheet information: TRADEMARK

REEL: 1895 FRAME: 0577

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of March 25, 1999, by and between SILICON VALLEY BANK ("Bank") and PHOTON DYNAMICS, INC., a California corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodation to Grantor (the "Loans") in the amounts and manner set forth in the Loan and Security Agreement and the Export-Import Bank Loan and Security Agreement, by and between Bank and Grantor, each dated of even date herewith (as the same may be amended, modified or supplemented from time to time, collectively the "Loan Agreements"; capitalized terms used herein are used as defined in the Loan Agreements). Bank is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Bank a security interest in certain Copyrights, Trademarks and Patents to secure the obligations of Grantor under the Loan Agreements.

B. Pursuant to the terms of the Loan Agreements, Grantor has granted to Bank a security interest in all of Grantor's right, title and interest, whether presently existing or hereafter acquired, in, to and under all of the Collateral.

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, and intending to be legally bound, as collateral security for the prompt and complete payment when due of its obligations under the Loan Agreements, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreements, Grantor grants and pledges to Bank a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (including without limitation those Copyrights, Patents and Trademarks listed on Schedules A, B and C hereto), and including without limitation all proceeds thereof (such as, by way of example but not by way of limitation, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all rights corresponding thereto throughout the world and all re-issues, divisions continuations, renewals, extensions and continuations-in-part thereof.

This security interest is granted in conjunction with the security interest granted to Bank under the Loan Agreements. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreements and the other Loan Documents, and those which are now or hereafter available to Bank as a matter of law or equity. Each right, power and remedy of Bank provided for herein or in the Loan Agreements or any of the Loan Documents, or now or hereafter existing at law or in equity shall be cumulative and concurrent and shall be in addition to every right, power or remedy provided for herein and the exercise by Bank of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Loan Agreements or any of the other Loan Documents, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Bank, of any or all other rights, powers or remedies.

IN WITNESS WHEREOF, the parties have cause this Intellectual Property Security Agreement to be duly executed by its officers thereunto duly authorized as of the first date written above.

GRANTOR:

Address of Grantor:

6325 San Ignacio Avenue
San Jose, CA 95119

Attn: ~~Mr. John T. Harrington~~ ^{OK}
MR. RICHARD DESSLY

PHOTON DYNAMICS, INC., a California corporation

By: Richard Dessly

Title: CFO

BANK:

Address of Bank:

3003 Tasman Drive
Santa Clara, CA 95054

Attn: Mr. Frederick Kreppel

SILICON VALLEY BANK

By: _____

Title: _____

EXHIBIT B**Patents**

<u>Description</u>	<u>Patent Number</u>	<u>Date Issued</u>
Technique for determining defect positions in three dimensions in a transparent structure	5,790,247	08/04/98
Flat panel display inspection system	5,764,209	06/09/98
Large area defect monitor tool for manufacture of clean surfaces	5,631,733	05/20/97
Electro-optical element and its manufacturing method	5,615,039	03/25/97
Testing apparatus and connector for liquid crystal display substrates	5,504,438	04/02/96
Method of testing liquid crystal display substrates	5,465,052	11/07/95
Method and apparatus for automatically inspecting and repairing an active matrix LCD panel	5,459,410	10/17/95
Testing device for liquid crystal display base plate	5,459,409	10/17/95
Testing apparatus for liquid crystal display substrates	5,444,385	08/22/95
Method of testing active matrix liquid crystal display substrates	5,432,461	07/11/95
Instrument for testing liquid crystal display base plates	5,406,213	04/11/95
Method and apparatus for positioning and biasing an electro-optic modulator of an electro-optic imaging system	5,387,788	02/07/95
Method and apparatus for testing LCD panel array	5,363,037	11/08/94
Method and apparatus for testing LCD panel array	5,285,150	02/08/94
Method and apparatus for automatically inspecting and repairing an active matrix LCD panel	5,235,272	08/10/93
Method and apparatus for positioning and biasing an electro-optic modulator of an electro-optic imaging system	5,212,374	05/18/93
Voltage imaging system using electro-optics	5,124,635	06/23/92

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/Serial No.</u>	<u>Registration/Application Date</u>
Muralook	75/394,400	12/08/98
Photon Dynamics	2,141,905	03/10/98
Voltage Imaging	74/369,677	03/19/93

Patents (cont'd)

<u>Description</u>	<u>Patent Number</u>	<u>Date Issued</u>
Method and apparatus for testing LCD panel array prior to shorting bar removal	5,081,687	01/14/92
Voltage imaging system using electro-optics	4,983,911	01/08/91