

5-3-99 TRADE

05-12-1999



MAY

Tab settings

documents or copy thereof

To the Honorable Commissioner of Patents and Trade

101036012

1. Name of conveying party(ies):

Document Authentication Systems Inc.

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

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

3. Nature of conveyance:

- Assignment, Merger, Security Agreement, Change of Name, Other

Execution Date: 1-28-99

2. Name and address of receiving party(ies)

Name: SILICON VALLEY BANK

Internal Address: ATTN: LOAN DOC. GROUP

Street Address: 3003 TASMAN DRIVE

City: SANTA CLARA State: CA ZIP: 95054

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

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

A. Trademark Application No.(s)

See Exhibit C

B. Trademark Registration No.(s)

See Exhibit C

Additional numbers attached? Yes No

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

SILICON VALLEY BANK

Name:

Internal Address: ATTN: LOAN DOC GROUP

NC # 816

Street Address: 3003 TASMAN DRIVE

City: SANTA CLARA State: CA ZIP: 95054

05/12/1999 DNGUYEN 00000086 75483684

6. Total number of applications and registrations involved: 9

7. Total fee (37 CFR 3.41) \$ 240 -

Enclosed 7907

Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

01 FC:481 02 FC:482

40.00 DP 200.00 DP

DO NOT USE THIS SPACE

9. 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.

MAGGIE GARCIA

Maggie Garcia

4-22-99

Name of Person Signing

Signature

Date

DME 143

Total number of pages including cover sheet, attachments, and document: 12

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

Commissioner of Patents & Trademarks, Box Assignments

TRADEMARK

REEL: 1896 FRAME: 0163

EXHIBIT C
TRADEMARKS

<u>TRADEMARK DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>FILING DATE OR PUBLICATION DATE</u>	<u>STATUS</u>
Certified Print	United States	75/483,584	March 9, 1999 (P)	Awaiting Notice of Allowance
E-ORIGINAL	United States	75/483,579	March 9, 1999 (P)	Awaiting Notice of Allowance
DocuGuard and Design	United States	75/426,047	January 30, 1998 (F)	Response Filed to Preliminary Refusal
DAS and Design	United States	75/426,048	December 29, 1998 (P)	Awaiting Notice of Allowance
The Electronic Original Company and Design	United States	75/483,578	May 9, 1998 (F)	Preliminary Approval
Trusted Custodial Utility	United States	75/483,580	May 9, 1998 (F)	Preliminary Approval
Make It Simple, Make It Legal Make It Work	United States		May 9, 1998 (F)	Pending
e-Homeloan	United States		July 30, 1998 (F)	Pending
Electronic Original	United States	75/483,581	May 9, 1998 (F)	Preliminary Refusal

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made as of the 28th day of January, 1999 by and between Document Authentication Systems, Inc. ("Grantor"), and Silicon Valley Bank, a California banking corporation ("Lender" and sometimes "Silicon").

RECITALS

A. Lender has agreed to make advances of money and to extend certain financial accommodations to Grantor (the "Loans"), pursuant to a Quick Start Loan and Security Agreement, dated February 20, 1998 (the "Loan Agreement"). For the purpose of further perfecting Lender's security interest in Borrower's Collateral (as described in Section 2 of the Loan Agreement), specifically, but not limited to Borrower's "general intangibles", Lender hereby requires Borrower to execute this IP Agreement. Defined terms used but not defined herein shall have the same meanings as in the Loan Agreement.

B. Pursuant to the terms of the Loan Agreement, Grantor has granted to Lender 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 Grantor's Indebtedness under the Loan Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Indebtedness, obligations and liabilities to Lender, Grantor hereby grants a security interest in all of Grantor's right, title and interest in, to and under its Intellectual Property Collateral (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) Any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(c) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(d) All patents, patent applications and like protections including, without limitation, improvements, divisions, continuations, renewals, reissues, extensions and continuations-in-part of the same, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(e) Any trademark and servicemark rights, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks")

(f) Any and all claims for damages by way of past, present and future infringements of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(g) All licenses or other rights to use any of the Copyrights, Patents, or Trademarks and all license fees and royalties arising from such use to the extent permitted by such license or rights; and

(h) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks, or Patents; and

(i) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request. Grantor authorizes and requests that the Register of Copyrights and the Commissioner of Patents and Trademarks record this IP Agreement.

3. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor to its customers and exclusive licenses granted to subsidiaries of Grantor (DAS-Lease, LLC and DAS-Gov, LLC) for specific industry application in the ordinary course of business.

(b) Performance of this IP Agreement does not conflict with or result in a breach of any IP Agreement to which Grantor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this IP Agreement constitutes a security interest.

(c) During the term of this IP Agreement, Grantor will not, without prior Lender consent, transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor and exclusive licenses granted to subsidiaries of Grantor (DAS-Lease, LLC and DAS-Gov, LLC) for specific industry application in the ordinary course of business or as set forth in this IP Agreement;

(d) To its knowledge, each of the Patents is valid and enforceable, and no part of the Intellectual Property Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Intellectual Property Collateral violates the rights of any third party;

(e) Grantor shall promptly advise Lender of any material adverse change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent, or Copyright specified in this IP Agreement;

(f) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, (ii) use its best efforts to detect infringements of the Trademarks, Patents, and Copyrights and promptly advise Lender in writing of material infringements detected and (iii) not allow any Trademarks, Patents, or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Lender, which shall not be unreasonably withheld, unless Grantor determines that reasonable business practices suggest that abandonment is appropriate.

(g) Grantor shall promptly register the most recent version of any of Grantor's Copyrights, if not so already registered, and shall, from time to time, execute and file such other instruments, and take such further actions as Lender may reasonably request from time to time to perfect or continue the perfection of Lender's interest in the Intellectual Property Collateral unless Grantor determines that reasonable business practices suggest that such registration is not appropriate;

(h) This IP Agreement creates, and in the case of after acquired Intellectual Property Collateral, this IP Agreement will create at the time Grantor first has rights in such after acquired Intellectual Property Collateral, in favor of Lender a valid and perfected first priority security interest in the Intellectual Property Collateral in the United States securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (i) below;

(i) To its knowledge, except for, and upon, the filing with the United States Patent and Trademark office with respect to the Patents and Trademarks and the Register of Copyrights with respect to the Copyrights necessary to perfect the security interests created hereunder and except as has been already made or obtained, no authorization, approval or other action by, and no notice to or filing with, any U.S. governmental authority of U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this IP Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Lender of its rights and remedies thereunder;

(j) All information heretofore, herein or hereafter supplied to Lender by or on behalf of Grantor with respect to the Intellectual Property Collateral is accurate and complete in all material respects.

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Lender's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that would prevent the creation of a security interest in Grantor's rights and interest in any property included within the definition of the Intellectual property Collateral acquired under such contracts, except that certain contracts may contain anti-assignment provisions that could in effect prohibit the creation of a security interest in such contracts.

(l) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Lender in writing of any event that materially adversely affects the value of any material Intellectual Property Collateral, the ability of Grantor to dispose of any material Intellectual Property Collateral of the rights and remedies of Lender in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

4. Lender's Rights. Lender shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this IP Agreement to take but which Grantor fails to take, after fifteen (15) days' notice to Grantor. Grantor shall reimburse and indemnify Lender for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this section 4.

5. Inspection Rights. Grantor hereby grants to Lender and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, and any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month period) that are sold utilizing any of the Intellectual Property Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonably requested, but not more than one (1) in every six (6) months; provided, however, nothing herein shall entitle Lender access to Grantor's trade secrets and other proprietary information.

6. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Lender, to perfect Lender's security interest in all Copyrights, Patents and Trademarks, and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Lender the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Lender or otherwise, from time to time in Lender's discretion, upon Grantor's failure or inability to do so and with notice to Grantor, to take any action and to execute any instrument which Lender may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

Modify, in its sole discretion, this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B and Exhibit C hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest; and

File, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law.

7. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this IP Agreement:

- (a) An Event of Default occurs under the Loan Agreement or any document from Grantor to Lender; or
- (b) Grantor breaches any warranty or agreement made by Grantor in this IP Agreement.

8. Remedies. Upon the occurrence and continuance of an Event of Default, Lender shall have the right to exercise all the remedies of a secured party under the California Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Lender has a security interest and to make it available to Lender at a place designated by Lender. Lender shall have a nonexclusive, royalty free license to use the Copyrights, Patents and Trademarks to the extent reasonably necessary to permit Lender to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorney's fees) incurred by Lender in connection with the exercise of any of Lender's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Lender's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

9. Indemnity. Grantor agrees to defend, indemnify and hold harmless Lender and its officers, employees, and agents against: (a) all obligations, demands, claims, and liabilities claimed or asserted by any other party in connection with the transactions contemplated by this IP Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Lender as a result of or in any way arising out of, following or consequential to transactions between Lender and Grantor, whether under this IP Agreement or otherwise (including without limitation, reasonable attorneys fees and reasonable expenses), except for losses arising from or out of Lender's gross negligence or willful misconduct.

10. Reassignment. At such time as Grantor shall completely satisfy all of the Obligations secured hereunder, Lender shall execute and deliver to Grantor all deed, release, assignments, and other instruments as may be necessary or proper to reinvest in Grantor full title to the property assigned hereunder, subject to any disposition thereof which may have been made by Lender pursuant hereto.

11. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

12. Attorneys' Fees. If any action relating to this IP Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys fees, costs and disbursements.

13. Amendments. This IP Agreement may be amended only by a written instrument signed by both parties hereto.

14. Counterparts. This IP Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

15. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard for choice of law provisions. Grantor and Lender consent to the nonexclusive jurisdiction of any state or federal court located in Santa Clara County, California.

16. Confidentiality. In handling any confidential information, Lender shall exercise the same degree of care that it exercises with respect to its own proprietary information of the same types to maintain the confidentiality of any non-public information thereby received or received pursuant to this IP Agreement except that the disclosure of this information may be made (i) to the affiliates of the Lender, (ii) to prospective transferee or purchasers of an interest in the obligations secured hereby, provided that they have entered into comparable confidentiality agreement in favor of Grantor and have deliver a copy to Grantor, (iii) as required by law, regulation, rule or order, subpoena judicial order or similar order and (iv) as may be required in connection with the examination, audit or similar investigation of Lender.

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

Address of Grantor:

Suite 800
351 W. Camden St.
Baltimore, MD 21201

GRANTOR:

DOCUMENT AUTHENTICATION SYSTEMS, INC.

By: Stephen F. Bishop

Name: Stephen F. Bishop

Title: Exec. Vice Pres.

Exhibit "A" attached to that certain Intellectual Property Security Agreement dated January 28, 1999.

EXHIBIT "A"

COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

<u>COPYRIGHT DESCRIPTION</u>	<u>REGISTRATION NUMBER</u>	<u>DATE OF ISSUANCE</u>
NONE		

SCHEDULE B - PENDING COPYRIGHT APPLICATIONS

<u>COPYRIGHT DESCRIPTION</u>	<u>APPLICATION NUMBER</u>	<u>DATE OF FILING CREATION</u>	<u>FIRST DATE OF PUBLIC DISTRIBUTION</u>
NONE			

SCHEDULE C - UNREGISTERED COPYRIGHTS (Where No Copyright Application is Pending)

<u>COPYRIGHT DESCRIPTION</u>	<u>DATE OF CREATION</u>	<u>FIRST DATE OF DISTRIBUTION</u>	<u>ORIGINAL AUTHOR OR OWNER OF COPYRIGHT (IF DIFFERENT FROM GRANTOR)</u>	<u>DATE AND RECORDATION NUMBER OF IP AGREEMENT TO OWNER OF GRANTOR (IF ORIGINAL AUTHOR OR OWNER OF COPYRIGHT IS DIFFERENT FROM GRANTOR)</u>
NONE				

**EXHIBIT B
PATENTS**

<u>PATENT TITLE</u>	<u>APPLICATION/ PUBLICATION NO.</u>	<u>COUNTRY</u>	<u>PATENT NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
System and Method for Electronic Transmission Storage and Retrieval of Authenticated Documents	08/373,944	United States	5,615,268	January 17, 1995	Patented March 25, 1997
System and Method for Electronic Transmission Storage and Retrieval of Authenticated Documents	08/528,841	United States	5,748,738	September 17, 1995	Patented May 5, 1998
System and Method for Electronic Transmission Storage and Retrieval of Authenticated Documents	PCT/US96/14159 WO 97/12460	Patent Cooperation Treaty Countries		August 23, 1996	Published
Document Authentication System and Method	7105896	Australia		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	PI 9610720-2	Brazil		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	2,232,170	Canada		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	96198330.2 (App#) I202288 (Publ #)	China		August 23, 1996	Published 12/16/98. Awaiting Official Action
Document Authentication System and Method	96932167.8 EP 0 850 523	Europe		August 23, 1996	Published in European Patent Bulletin, Awaiting

TRADEMARK
REEL: 1896 FRAME: 0171

**EXHIBIT B
PATENTS**

<u>PATENT TITLE</u>	<u>APPLICATION/ PUBLICATION NO.</u>	<u>COUNTRY</u>	<u>PATENT NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
Document Authentication System and Method	123663	Israel		August 23, 1996	European Search Report Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	51344097	Japan		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	981991	Mexico		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	318941	New Zealand		August 23, 1996	Acceptance expected by 6/13/99.
Document Authentication System and Method	981170	Norway		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	P326075	Poland		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	9802229-6	Singapore		August 23, 1996	Grant Fee/ 1st Annuity Paid
Document Authentication System and Method	7019491998	South Korea		August 23, 1996	Formal Matters Completed, Awaiting Official Action
Document Authentication System and Method	PV78798 787-98	Czech Republic		August 23, 1996	Application Published 10/14/98, Request Exam due by 8/23/99.

TRADEMARK

REEL: 1896 FRAME: 0172

**EXHIBIT B
PATENTS**

<u>PATENT TITLE</u>	<u>APPLICATION/ PUBLICATION NO.</u>	<u>COUNTRY</u>	<u>PATENT NO.</u>	<u>FILING DATE</u>	<u>STATUS</u>
Document Authentication System and Method		Turkey	TR 1998 00462B	August 23, 1996	Patent 1/19/99.
Document Authentication System and Method	9144/98	Hungary		August 23, 1996	Request Exam due 9/1/99
System and Method for Electronic Transmission Storage and Retrieval of Authenticated Documents	P980101663	Argentina		August 23, 1996	Formal Matters Completed, Awaiting Official Action
System and Method for Electronic Transmission Storage and Retrieval of Authenticated Documents	09/072,079	United States		May 4, 1998	Filed Declaration in Patent and Trademark Office 12/1/98, Awaiting Official Action

**TRADEMARK
REEL: 1896 FRAME: 0173**

EXHIBIT D
DOMAIN NAMES

REGISTRAR

REGISTRAR

DOMAIN NAME

<u>DOMAIN NAME</u>	<u>REGISTRAR</u>	<u>REGISTRAR</u>
das-gov.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
das-inc.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
das-lease-com	Internic (RI52-ORG)	Document Authentication Systems, Inc
das-loan.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
das-mortgage.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
das-pharma.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
edoc-vault.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
electronic-original.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
e-original.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
eoriginal.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
e-safebox.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
govedocs.com	Internic (RI52-ORG)	Document Authentication Systems, Inc
pharma.md	Internic (RI52-ORG)	Document Authentication Systems, Inc