

07-18-2000

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RECORDATION FORM COVER SHEET TRADEMARKS ONLY

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)
Document ID #
- Correction of PTO Error
Reel # Frame #
- Corrective Document
Reel # Frame #

Conveyance Type

- Assignment License
- Security Agreement Nunc Pro Tunc Assignment
Effective Date
Month Day Year
- Merger
- Change of Name
- Other

Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

- Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual General Partnership Limited Partnership

- Corporation Association

Other

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

Citizenship/State of Incorporation/Organization

07/18/2000 ASCOTT 00000071 1319300

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40.00 OP

FOR OFFICE USE ONLY

Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK

REEL: 002103 FRAME: 0702

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Correspondent Name and Address

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

#

Trademark Application Number(s) or Registration Number(s)

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1319300"/>	<input type="text"/>	<input type="text"/>
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Number of Properties

Enter the total number of properties involved.

#

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment:

Enclosed

Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

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. Charges to deposit account are authorized, as indicated herein.

Douglas H. Morseburg
Name of Person Signing

Douglas H. Morseburg
Signature

June 23, 2000

Date Signed

RECORDATION FORM COVER SHEET
CONTINUATION
TRADEMARKS ONLY

FORM PTO-1618C
Expires 06/30/99
OMB 0651-0027

U.S. Department of Commerce
Patent and Trademark Office
TRADEMARK

Conveying Party

Enter Additional Conveying Party

Mark if additional names of conveying parties attached

Execution Date
Month Day Year

Name

Formerly

Individual General Partnership Limited Partnership Corporation Association

Other

Citizenship State of Incorporation/Organization

Receiving Party

Enter Additional Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKA/TA

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Registration Number(s)

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ASSIGNMENT-LICENSE AGREEMENT

This Agreement, made and entered into this 21st day of October, 1986, by and between Valley Arts Guitar Center, Inc., a corporation duly organized and existing under the laws of the State of California (hereinafter referred to as "ASSIGNOR") and Albert J. Carness, an individual residing in Chatsworth, California and Michael D. McGuire, an individual residing in Northridge, California (hereinafter collectively referred to as "ASSIGNEES");

WITNESSETH:

WHEREAS, ASSIGNOR is and has been engaged in the business of selling acoustic and electric guitars and electric bases from its retail outlet in Studio City, California under the Valley Arts Guitar;

WHEREAS, ASSIGNOR is the owner of the trademarks "Valley Arts Guitar," a logo including the words "Valley Arts Guitar," and the design mark covering the distinctive appearance of the headstock of the electric guitars sold by ASSIGNOR, and is the owner of United States Trademark Registration No. 1,319,300, granted February 12, 1984 for the Valley Arts Guitar logo and a pending application in Japan for registration of the Valley Arts Guitar logo (hereinafter collectively referred to as "Assignor's Trademark Rights");

WHEREAS, ASSIGNEES are the owners of the entire right, title and interest in and to ASSIGNEE, including all of the stock thereof;

WHEREAS, ASSIGNOR has received a request for a license under Assignor's Trademark Rights to manufacture and have made and sell in certain foreign countries electric guitars and related products under Assignor's Trademark Rights and to receive from ASSIGNOR technical assistance for the manufacture and sale of such products;

WHEREAS, ASSIGNOR has determined that while it presently desires to conduct its business solely from its retail outlet in Studio City, California and that it does not have the capacity either to provide such technical assistance or to exercise the necessary quality control over the products manufactured and sold under trademark licenses, it would nevertheless be economically advantageous to ASSIGNOR to have quality products manufactured and sold throughout the world under the Valley Arts Guitar trademarks due to the increased exposure of the Valley Arts Guitar name which would result therefrom and the anticipated increased revenue in domestic sales resulting from such exposure.

WHEREAS, ASSIGNEES have the technical knowledge and capacity to provide such technical assistance and the necessary personal quality control over products produced and sold throughout the world as well as the personal reputations and experience desired by prospective foreign and domestic licensees;

WHEREAS, ASSIGNEES are willing to establish a worldwide licensing program under the Valley Arts trademarks and devote the personal time and effort required for and by such a program; and

WHEREAS, ASSIGNOR desires that such a program be established, but that it be separated from the business of ASSIGNOR.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, the parties hereto agree as follows:

1. ASSIGNOR, for good and valuable consideration, the receipt of which is hereby acknowledged, does hereby assign to ASSIGNEES, effective the date first above written, all rights, title and interest in and to Assignor's Trademark Rights, including the aforesaid U. S. Trademark Registration No. 1,319,300, the pending application in Japan, and any Registration to issue therefrom, together with the goodwill of the business symbolized by the marks and the right to recover for past infringement thereof and the registration thereof.

2. ASSIGNEES hereby grant to ASSIGNOR a non-exclusive license to use the Valley Arts Trademarks assigned hereunder throughout the world on and in connection with acoustic and electric guitars, electric bases and accessories therefore and any other products to be incorporated herein by subsequent agreement of the parties (hereafter referred to as "Licensed Products").

3. ASSIGNOR agrees that the trademarks licensed under Paragraph 2 above shall be used by it only on or in conjunction with Licensed Products, the nature and quality of which are up to the standards exemplified by those products heretofore sold by ASSIGNOR or which are hereafter, from time to time, fixed or approved by ASSIGNEES.

4. ASSIGNOR will permit duly authorized representatives of ASSIGNEES to inspect at all reasonable times the Licensed Products in connection with which ASSIGNOR uses or intends to use the trademarks licensed hereunder, and ASSIGNOR shall, upon the request of ASSIGNEES, submit to ASSIGNEES, or their duly authorized representatives, samples of the Licensed Products which it sells or intends to sell under the aforesaid trademarks for the purpose of ascertaining or determining compliance with Paragraph 3 above.

5. ASSIGNEES assume no liability to the ASSIGNOR or third parties with respect to the performance characteristics of the goods manufactured by or for Licensor under the trademarks licensed hereunder, and ASSIGNOR will indemnify ASSIGNEES against losses incurred through claims of third persons against ASSIGNEES involving the manufacture or sale of Assignee's products. Similarly, ASSIGNOR assumes no liability to ASSIGNEES or third parties with respect to the performance characteristics of products manufactured by or for or sold by Licensees of ASSIGNEES under the assigned trademarks, and ASSIGNEES will indemnify ASSIGNOR against losses incurred through claims of third parties

against ASSIGNOR involving the manufacture or sale of such products.

6. ASSIGNEES agree that they will use reasonable efforts to establish a worldwide licensing program under the Valley Arts Trademarks and that any and all agreements entered into by ASSIGNEES pursuant to which ASSIGNEES grant licenses under the Valley Arts Trademarks will contain quality control provisions requiring all products manufactured and sold pursuant to such agreements to be up to the standards of quality, performance and workmanship exhibited by the products heretofore sold by ASSIGNOR and that ASSIGNEES exercise quality control over any such products to insure such standards are met and adhered to.

7. The license granted to ASSIGNOR in Paragraph 2 above shall remain in full force and effect for a period of five (5) years, but may be extended for additional two (2) year periods upon mutual agreement of the parties. Should ASSIGNOR fail to comply with any provisions of this Agreement, ASSIGNEES may terminate the license granted in Paragraph 3 herein upon not less than forty-five (45) days written notice to ASSIGNOR, but if ASSIGNOR shall correct such defaults during the forty-five (45) day notice, the notice shall be of no further force or effect. Similarly, should ASSIGNEES fail to comply with any provisions of this Agreement, ASSIGNOR may terminate this Agreement upon forty-five (45) days written notice to ASSIGNEES, but if ASSIGNEES shall correct such default within the forty-five (45) days notice

period, the notice shall be of no further force or effect. In the event of such termination by ASSIGNOR, this Agreement shall be terminated in its entirety and all rights granted hereunder to ASSIGNEES shall be terminated and ASSIGNEES shall forthwith reassign all trademark rights and registrations to ASSIGNOR.

8. Neither this Agreement nor any of its rights or obligations are assignable by ASSIGNOR without the prior written consent of ASSIGNEES, nor may ASSIGNOR sublicense others under the license herein granted by ASSIGNEES.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

VALLEY ARTS GUITAR CENTER, INC.

ASSIGNOR:

By *[Signature]*

By *[Signature]*

ASSIGNEES:

By *[Signature]*
Michael D. McGuire

By *[Signature]*
Albert J. Carness

[Signature]

