

7.24.00

FORM PTO-1594  
(Rev. 6-93)  
OMB No. 0651-0C11 (exp. 4/94)

# RECORDATION FOR TRADEMARK

08-18-2000

DEPARTMENT OF COMMERCE  
Patent and Trademark Office



101436010

Tab settings =>>>▼

▼ ▼

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):  
Networks Associates, Inc.

Individual(s)                       Association  
 General Partnership               Limited Partnership  
 Corporation-State  
 Other corporation operating under the laws of Ontario, Canada

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

2. Name and address of receiving party(ies):

Name: Rational Software Corporation  
Internal Address: \_\_\_\_\_  
Street Address: 18880 Homestead Road  
City: Cupertino State: CA ZIP: 95014

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State Delaware  
 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

3. Nature of conveyance:

Assignment                       Merger  
 Security Agreement               Change of Name  
 Other Agreement and Plan of Acquisition and Arrangement

Execution Date: December 14, 1999

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

A. Trademark Application No.(s)

B. Trademark Registration No.(s)  
1,849,056 OBJECTIME AND DESIGN

Additional numbers attached?  Yes  No

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

Name: Linda G. Alvarez  
Internal Address: Wilson, Sonsini, Goodrich & Rosati  
\_\_\_\_\_  
Street Address: 650 Page Mill Road  
\_\_\_\_\_  
City: Palo Alto State: CA ZIP: 94304-1050

6. Total number of applications and registrations involved:..... 1

7. Total fee (37 CFR 3.41)..... \$ 40.00

Enclosed  
 Authorized to be charged to deposit account

8. Deposit account number:  
23-2415 Attn: 01832-TM11778  
(Attach duplicate copy of this page if paying by deposit account)

08/17/2000 MTHAI1 00000139 1849056

DO NOT USE THIS SPACE

01 FC:481 40.00 UP

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.*

Linda G. Alvarez  
Name of Person Signing

7/17/00  
Date

Total number of pages including cover sheet, attachments, and document: 9

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

TRADEMARK  
REEL: 002121 FRAME: 0688

**AGREEMENT AND PLAN OF  
ACQUISITION AND  
ARRANGEMENT**

**by and between**

**RATIONAL SOFTWARE CORPORATION,**

**3037936 NOVA SCOTIA COMPANY,**

**1386501 ONTARIO LIMITED,**

**1386503 ONTARIO LIMITED**

**and OBJECTIME LIMITED**

**Dated as of December , 1999**

## AGREEMENT AND PLAN OF ACQUISITION AND ARRANGEMENT

This Agreement and Plan of Acquisition and Arrangement, dated as of December 14, 1999 (the "Agreement"), is entered into by and between Rational Software Corporation, a Delaware corporation ("Parent"), Rational International, a California corporation and subsidiary of Parent ("International Corp."), 3037936 Nova Scotia Company, a Nova Scotia unlimited liability company and indirect subsidiary of Parent ("Holding ULC"), 1386501 Ontario Limited, an Ontario business corporation and indirect subsidiary of Parent ("Acquisition Sub"), 1386503 Ontario Limited, a corporation incorporated under the laws of Ontario ("Amalco") and ObjecTime Limited, a corporation incorporated under the laws of Ontario (the "Company").

### WITNESSETH:

WHEREAS, the Boards of Directors of Parent and the Company have each determined that it is advisable and in the best interests of their respective shareholders for Parent to acquire control of the Company through a statutory arrangement (the "Arrangement") involving the exchange of all of the issued and outstanding shares of the Company, other than those shares owned by Parent or any of its subsidiaries (the "Excluded Shares") for shares in Parent or an indirect subsidiary of Parent (the "Acquisition Sub") upon the terms and conditions set forth herein;

WHEREAS, as contemplated herein, Parent shall incorporate Holding ULC, which shall in turn incorporate Acquisition Sub under the Business Corporations Act (Ontario), which shall in turn incorporate Amalco under the *Business Corporations Act* (Ontario);

WHEREAS, application will be made to the Ontario Superior Court pursuant to the *Business Corporations Act* (Ontario) for an interim order and directions and a final order with respect to a plan of arrangement (the "Plan of Arrangement") substantially in the form of the plan of arrangement annexed hereto as Exhibit A pursuant to which Amalco and Company will amalgamate to form ObjecTime Limited, an Ontario corporation ("New ObjecTime");

WHEREAS, upon receipt of a final order of the Superior Court of Ontario approving the Plan of Arrangement, articles of arrangement attaching the Plan of Arrangement (the "Articles of Arrangement") shall be filed with the Ministry of Consumer and Commercial Relations for the Province of Ontario giving effect to the Arrangement and the share exchange;

WHEREAS, pursuant to the Plan of Arrangement, once approved, and subject to the terms and conditions of this Agreement, all of the issued and outstanding shares of capital stock of the Company, other than the Excluded Shares, shall be exchanged for cash together with either Parent Common Shares or Exchangeable Shares (as defined herein);

WHEREAS, as contemplated by the Plan of Arrangement and pursuant to the terms of the Exchangeable Shares, and pursuant to the Support Agreement and the Voting and Exchange Trust

contaminants or hazardous or toxic materials or wastes by the Company or its subsidiary (or their respective agents); (ii) is in compliance with all material terms and conditions of such required permits, licenses and authorizations, and also is in compliance with all other material limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in such laws or contained in any regulation, code, plan, order, decree, judgment, notice or demand letter issued, entered, promulgated or approved thereunder; (iii) as of the date hereof, is not aware of and have not received notice of any event, condition, circumstance, activity, practice, incident, action or plan that is reasonably likely to interfere with or prevent continued compliance or that would give rise to any common law or statutory liability, or otherwise form the basis of any claim, action, suit or proceeding, based on or resulting from the Company's (or any of its agents) manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling, or the emission, discharge or release into the environment of any pollutant, contaminant or hazardous or toxic material or waste; (iv) has not disposed of any pollutants, contaminants or hazardous or toxic materials or wastes into the soil or groundwater at any properties owned or leased by the Company, either now or in the past, or at any other property that would result in any assessment or remedial action; and (v) has taken all actions necessary under applicable requirements of federal, state, local or foreign laws, rules or regulations to register any products or materials required to be registered by the Company (or any of its agents) thereunder.

### 3.18 Intellectual Property.

(a) Except as set forth in Part 3.18 of the Disclosure Letter, the Company owns the exclusive, enforceable rights to use, sell, license and dispose of, all patents, trademarks, trade names, service marks, copyrights, and any applications therefor, technology, know-how, trade secrets, inventory, ideas, algorithms, processes, computer software programs or applications (in both source code and object code form), and tangible or intangible proprietary information or material ("Intellectual Property") that are used or required in the business of the Company as currently conducted. No Intellectual Property used or required in the business of the Company as currently conducted is subject to any lien, pledge, encumbrance or other restriction, or is held by any third party pursuant to any escrow agreement or similar arrangement.

(b) Identified in Part 3.18 of the Disclosure Letter are (A) all patents and patent applications and all registered and unregistered trademarks, trade names and service marks, registered and unregistered copyrights, and maskworks, related to the Company's businesses and included in the Intellectual Property, including the jurisdictions in which each such Intellectual Property right has been issued or registered or in which any application for such issuance and registration has been filed, (B) all material licenses, sublicenses and other agreements to which the Company is a party and pursuant to which any person is authorized to use any Intellectual Property (excluding object-code end-user licenses granted to end-users in the ordinary course of business), and (C) all material licenses, sublicenses and other agreements to which the Company is a party and pursuant to which the Company is authorized to use any third party patents, trademarks or copyrights, including software ("Third Party Intellectual Property Rights") which are incorporated in, are, or form a part of any product of the Company.

(c) To the best of the Company's knowledge, there is no unauthorized use, disclosure, infringement or misappropriation of any Intellectual Property rights of the Company, any trade secret material to the Company, or any Intellectual Property right of any third party to the extent licensed by or through the Company, by any third party, including any employee or former employee of the Company. The Company has not entered into any agreement to indemnify any other person against any charge of infringement of any Intellectual Property, other than indemnification provisions contained in purchase orders or customer agreements arising in the Ordinary Course of Business.

(d) The Company is not, nor will be as a result of the execution and delivery of this Agreement or the performance of the obligations under this Agreement, and the consummation of the Contemplated Transactions, in breach of any license, sublicense or other agreement relating to the Intellectual Property or Third Party Intellectual Property Rights.

(e) All patents and registered trademarks, service marks and copyrights held by the Company are valid and subsisting. The Company (A) is not a party to any suit, action or proceeding which involves a claim of infringement of any patents, trademarks, service marks, copyrights or violation of any trade secret or other proprietary right of any third party, (B) has not brought any action, suit or proceeding for infringement of Intellectual Property or breach of any license or agreement involving Intellectual Property against any third party, including without limitation any current or former employee or consultant of the Company or (C) has no knowledge of any basis for any suit, action or proceeding described in (A) or (B) and has received no communication from any person relating to any possible basis for any suit, action or proceeding described in (A) or (B). The manufacture, marketing, licensing or sale of products of the Company does not infringe any trademark, service mark, copyright, trade secret or to the best of the Company's knowledge, patent or other proprietary right of any third party.

(f) The Company believes it has taken all reasonable and appropriate steps to protect and preserve the confidentiality of all Intellectual Property not otherwise protected by patents, or patent applications or copyright ("Confidential Information"). All use (known to the Company) or disclosure of Confidential Information owned by the Company by or to a third party has been pursuant to the terms of a written agreement between the Company and such third party. To the best of the Company's knowledge, all use or disclosure of Confidential Information not owned by the Company has been pursuant to the terms of a written agreement between the Company and the owner of such Confidential Information, or is otherwise lawful.

### 3.19 Certain Agreements.

Except as set forth in Part 3.19 of the Disclosure Letter, the execution and delivery of this Agreement and the consummation of the Contemplated Transactions will not (i) result in any payment (including, without limitation, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director or employee of the Company or its subsidiary, (ii) materially increase any benefits otherwise payable by the Company or its subsidiary or (iii) result in the acceleration of the time of payment or vesting of any such benefits.

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

RATIONAL INTERNATIONAL  
(INTERNATIONAL CORP)

By: Timothy A. Brennan  
Name: TIMOTHY A. BRENNAN  
Title: CHIEF FINANCIAL OFFICER

3037936 NOVA SCOTIA COMPANY  
(HOLDING UCC)

By: Timothy A. Brennan  
Name: TIMOTHY A. BRENNAN  
Title: VICE PRESIDENT

1386501 ONTARIO LIMITED  
(ACQUISITION SUB)

By: Timothy A. Brennan  
Name: TIMOTHY A. BRENNAN  
Title: VICE PRESIDENT

RATIONAL SOFTWARE CORPORATION  
(PARENT)

By: Timothy A. Brennan  
Name: TIMOTHY A. BRENNAN  
Title: SENIOR VP, CFO, SECRETARY

OBJECTIME LIMITED (COMPANY)

By: \_\_\_\_\_  
Name:  
Title:

1386503 ONTARIO LIMITED (AMALCO)

By: Timothy A. Brennan  
Name: TIMOTHY A. BRENNAN  
Title: VICE PRESIDENT

[Signature page to Agreement and Plan of Acquisition and Arrangement]

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

RATIONAL INTERNATIONAL  
(INTERNATIONAL CORP)

By: \_\_\_\_\_  
Name:  
Title:

3037936 NOVA SCOTIA COMPANY  
(HOLDING ULC)

By: \_\_\_\_\_  
Name:  
Title:

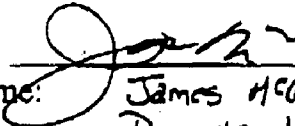
1386501 ONTARIO LIMITED  
(ACQUISITION SUB)

By: \_\_\_\_\_  
Name:  
Title:

RATIONAL SOFTWARE CORPORATION  
(PARENT)

By: \_\_\_\_\_  
Name:  
Title:

OBJECTIME LIMITED (COMPANY)

By:  \_\_\_\_\_  
Name: James McGee  
Title: President

1386503 ONTARIO LIMITED (AMALCO)

By: \_\_\_\_\_  
Name:  
Title:

*[Signature page to Agreement and Plan of Acquisition and Arrangement]*

UNITED STATES  
SECURITIES & EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d)  
OF THE SECURITIES ACT OF 1934

Date of Report (Date of earliest event reported): January 21, 2000

(Exact name of registrant as specified in its charter)

Delaware

0-12167

54-1217099

(State or other jurisdiction of incorporation) (Commission File Number) (I.R.S. Employer Identification No.)

18880 HOMESTEAD ROAD, CUPERTINO, CA

95014

(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code: (408) 863-9900

(Not Applicable)

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets

On January 13, 2000, the Company completed the acquisition of ObjecTime Limited (OTL). OTL is a developer of visual design and code generation software tools used for development of embedded software. The acquisition will be accounted for under the purchase method of accounting, accordingly, the Company's consolidated results of operations will include the operating results of OTL subsequent to the acquisition date. The Company acquired all outstanding shares of OTL capital stock in exchange for approximately \$9,045,000 in cash and 371,400 shares of the Company's common stock. The Company also assumed



all outstanding options to purchase OTL common stock in exchange for options to purchase 358,546 shares of the Company's common stock. In December, 1997, the Company made an initial investment in OTL for approximately \$9,000,000. The Company is in the process of completing its valuation of OTL net assets and will allocate the purchase price accordingly.

Item 7. Financial Statements and Exhibits

10.1 AGREEMENT AND PLAN OF ACQUISITION AND ARRANGEMENT

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

RATIONAL SOFTWARE CORPORATION  
(Registrant)

January 21, 2000

/s/ Timothy A. Brennan  
Timothy A. Brennan,  
Chief Financial Officer and Secretary

EX-10.1

2

AGREEMENT AND PLAN OF ACQUISITION AND ARRANGEMENT

EXHIBIT 10.1

TABLE OF CONTENTS

	Page
1. Definitions.	2
2. The Transactions.	12
2.1 Description of the Transactions.	12
2.2 Voting and Exchange Trust Agreement.	14
2.3 Exchangeable Share Support Agreement.	14
2.4 Founders' Additional Restrictions Agreement.	14
2.5 Exemption From Registration.	15
2.6 Closing.	15
2.7 Taking of Necessary Action; Further Action.	15
2.8 Accounting Consequences.	15
2.9 Adjustments to Exchange Ratio.	15
2.10 Fractional Shares. Fractional shares shall be handled in accordance with Section 4.6 of the Plan of Arrangement.	16