Aug-08-2002 16:57 From-FENWICK & WEST LLP

T-898 P.005/006 F-077

08-19-2002

1				
	Form PTO-1594 RE(0194500 U.S. Patent and Trademans Office		
	Tab settings C C V			
ì	To me Honorable Commissioner of Patents and Trademarks	Please record the sitisphed eliginal documents or copy thereof		
	1. Name of conveying party(ies).	2. Name and address of receiving party(ies)		
	GYRATION, INC. 8-19-02	Name: Runtington Technology Fund, 1.P. Internal Address: Suite 290		
	Individual(s) Association	Street Address; 19700 Fairchild Road		
	General Pannership Limited Pannership			
	Corporation-State CALIFORNIA Other	City: Iruine State: CA Zrp: 92612 Individual(a) citzenship		
		C) Assessmen		
	Additional name(s) of conveying party(les) attached? Yes 🚇 No	Association		
	3. Nature of conveyance:	Limited Partnership Callifornia		
	Assignment Merger	Corporation-State		
ļ	Security Agreement 📮 Change of Name	Other		
j	Other	If BEGINDO IS NOT COMICHED A THE VALLEY STREET, IN CASE IN		
ł	Execution Date: 08/12/2002	representative designation is staiched: We we have the property oddinated on staiched? The he had he was a staiched? The he had he he he had he		
}	4 Application number(s) or registration number(s):	Additional riame(e) & address(on) strached? Tes No		
\$	A. Trademark Application No (8)	B Trademark Registration No.(s) 76,364,909		
}		1,794,145 1,842,813		
]		tached C Yes No No		
	5. Name and address of party to whom correspondence concerning document should be mailed:	6. Total number of applications and		
	Carry Branci	registrations involved:		
	Internal Address: Suite 290	7 Total fee (37 CFR 3.41)		
}		-		
		Authonized to be charged to deposit account		
	Sweet Address: Huntington Ventures, ILC	5. Deposit account number:		
	19700 Fairchild Road			
	City Irvine State: CA Zip: 92612	(Altach duplicate copy of this page if paying by deposit account)		
ļ	DO NOT USE	THIS SPACE		
	9. Statoment and signature			
	To the best of my knowledge and bullef, the foregoing information is true and correct and any attached copy is a true copy of the original document.			
	HERZEL ASHIKENAZI lenet	8/8/02		
	Name of Person Signing / 5	ignéture / Date		
		of sives, modyments, and document: reduired Caver arrest (historistics to:		
08/19/2002	/ Cammasioner of Falsal & 7	roduction Carlo Analyproperia Padactarita, Box Analyproperia , D.C. 20231		
01 FC:481				
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	eceived 08-08-2002 16:10 Fram-949 553 8354	To- Page 004		

<u>Item 2</u> (continuation)

Name and address of receiving party(ies)

Berg & Berg Enterprises, LLC Name:

10050 Bandley Drive Cupertino, CA 95014 Street Address:

⊠ other: a California limited liability company

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement, dated as of August 12, 2002, is made by GYRATION, INC., a California corporation ("Grantor"), in favor of BERG & BERG ENTERPRISES, LLC, a California limited liability company ("Berg"), as agent for itself and for each of the other parties described on Schedule 1 attached hereto (collectively, "Secured Parties"), and HUNTINGTON TECHNOLOGY FUND L.P., a California limited partnership ("Huntington"), as agent for itself and for each of the other Secured Parties. Berg and Huntington are hereinafter collectively referred to as the "Agent".

<u>RECITALS</u>:

- A. Secured Parties have agreed to make certain loans (the "Loans") to Grantor in the principal amounts set forth adjacent to each Secured Party's name on <u>Schedule 1</u> attached hereto, as evidenced by those certain Convertible Secured Promissory Notes of even date herewith payable to each of the Secured Parties in the principal amount of the applicable loan, executed by Grantor in favor of the applicable Secured Party (collectively, the "Notes").
- B. Pursuant to that certain Security Agreement of even date herewith among Agent, for itself and as agent for each of the Secured Parties, each of the Secured Parties and Grantor (the "Security Agreement"), Grantor has granted to Agent, as agent for the Secured Parties, a continuing lien on and security interest in certain assets of Grantor as more specifically described in the Security Agreement. Capitalized terms appearing in this Intellectual Property Security Agreement without definition shall have the respective meanings given to such terms in the Security Agreement.
- C. Secured Parties are willing to make the Loans to Grantor, upon the condition, among others, that Grantor shall grant to Agent, as agent for the Secured Parties, a security interest in all of Grantor's right, title and interest in and to all Copyrights, Patents, Patent Licenses, Trademarks, Trademark Licenses and Trade Secrets (collectively, the "Intellectual Property Collateral") to secure the obligations of Grantor under the Notes.

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 Notes and the Security Agreement, Grantor hereby represents, warrants, covenants and agrees as follows:

$\underline{A} \underline{G} \underline{R} \underline{E} \underline{E} \underline{M} \underline{E} \underline{N} \underline{T}$:

To secure its obligations under the Notes, Grantor grants and pledges to Agent, as agent for the Secured Parties, a security interest in all of Grantor's right, title and interest in, to and under the Intellectual Property Collateral, including without limitation those Copyrights, Patents and Trademarks listed on Exhibits A, B and C hereto, and further including, without limitation,

CADocuments and Settings\lcochron\Local Settings\Temporary Internet Files\OLK5\Clean Intellectual Property Security Agreement (Gyration). doc570500.01/SF

all Proceeds thereof, 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 Agent, as agent for the Secured Parties, under the Security Agreement. The rights and remedies of Agent, as agent for the Secured Parties, with respect to the security interest granted hereby are in addition to those set forth in the Security Agreement, and those which are now or hereafter available to Agent, as agent for the Secured Parties, at law or in equity.

Each right, power and remedy of Agent, as agent for the Secured Parties, provided for herein or in the Security Agreement or the Notes, 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 Agent, as agent for the Secured Parties, of any one or more of the rights, powers or remedies provided for in this Intellectual Property Security Agreement, the Security Agreement or the Notes, or now or hereafter existing at law or in equity, shall not preclude the simultaneous or later exercise by any person, including Agent, as agent for the Secured Parties, of any or all other rights, powers or remedies.

Grantor represents and warrants that <u>Exhibits A</u>, <u>B</u>, and <u>C</u> attached hereto set forth any and all intellectual property rights in connection to which Grantor has registered or filed an application with either the United States Patent and Trademark Office or the United States Copyright Office, as applicable.

[Signatures on Next Page]

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

GRANTOR:

GYRATION, INC., a California corporation

By:

Name: THERZEL ASHKE

litle: CF

California

) ss.

COUNTY OF

Santa Clara

On August 9, 2002 before me, kaven Armstrong, a Notary Public in and for said state, personally appeared Herzel Ash Kengzi-Cfo personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)



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

AGENT:

BERG & BERG ENTERPRISES, LLC, a California limited liability company, for itself as a Secured Party and as Agent for each Secured Party

By:

Name:

Title: Manbe

STATE OF California

) 38.

COUNTY OF

On Areat 16.2002, before me, Your Schroece's Notary Public in and for said state, personally appeared 6. Berg personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

Notary Public in and for said State

(SEAL)



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

AGENT:

HUNTINGTON TECHNOLOGY FUND, L.P., a California limited partnership, for itself as a Secured Party and as Agent for each Secured Party

WITNESS my hand and official seal.

MICHELLE N. WEHRLI
Comm. # 1328700
NOTARY PUBLIC -CALIFORNIA
Orange County
My Comm. Expires Nov. 5, 2005

Notary Public in and for said State

(SEAL)

SCHEDULE 1

Secured Parties

Name/Address	Loan Amount
Berg & Berg Enterprises, LLC 10050 Bandley Drive Cupertino, CA 95014	\$1,250,000.00
Huntington Technology Fund, L.P. 19700 Fairchild Road, Suite 290 Irvine, CA 92612	\$750,000.00
New York Life Insurance Company 51 Madison Avenue New York, N.Y. 10010	\$500,000.00

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EXHIBIT A

Copyrights

NONE

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Intellectual Property Security Agreement (Gyration).
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EXHIBIT A

EXHIBIT B

Patents

Description	Registration/ Application <u>Number</u>	Registration Application <u>Date</u>
Gyroscopic Pointer and Method	5,898,421	April 27, 1999
Electronic Pointing Apparatus and Method	5,825,350	October 20, 1998
Optically Sensed Wire Gyroscope Apparatus and System and Methods for Manufacture and Cursor Control	5,594,169	January 14, 1997
Gyroscopic Pointer	5,440,326	August 8, 1995
Shaft Angle Encoder with Rotating Off-Axis Interference Pattern	5,138,154	August 11, 1992
Vibrating Rate Gyroscope and Methods of Assembly and Operation	5,698,784	December 16, 1997
Design for Graphic Display Controller	Design Patent 378,751	April 8, 1997

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EXHIBIT C

Trademarks

Description	Registration/ Application <u>Number</u>	Registration Application <u>Date</u>
GYRATION	76,364,909	January 31, 2002
GYROPOINT	1,794,145	July 5, 1994
GYROENGINE	1,842,813	September 21, 1993

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RECORDED: 08/19/2002