

03-07-2003



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FORM PTO-1594 (Rev 5-93)

102383400

U.S. DEPARTMENT OF COMMERCE Patent and Trademark Office

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

<p>1. Name of conveying party(ies): NETILLA NETWORKS, INC.</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: DELAWARE Other:</p> <p>Additional name(s) of conveying party(ies) attached? [] Yes [X] No</p> <p>3. Nature of Conveyance: <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input checked="" type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other</p> <p>Execution Date: December 20, 2002</p>	<p>2. Name and address of receiving party(ies): Name: COMERICA BANK-CALIFORNIA Address: 9920 S. LA CIENEGA BLVD., 14TH FLOOR City: INGLEWOOD State: CA Zip: 90301</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Other: a California banking corporation</p> <p>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 [x] No</p>
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4. Application number(s) or trademark number(s):

<p>A. Trademark Application No.(s) 75/889,740</p>	<p>B. Trademark Registration No.(s) 2,528,347 2,525,918 2,451,058 2,545,003</p>
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Additional numbers attached? [] Yes [X] No

<p>5. Name and address of party to whom correspondence concerning document should be mailed: Name: Erin O'Brien Internal Address: GRAY CARY WARE & FREIDENRICH 4365 Executive Drive, Suite 1100 San Diego, CA 92121-2133</p>	<p>6 Total number of applications and registrations involved: 5</p> <hr/> <p>7. Total fee (37 CFR 3.41) \$140.00 <input checked="" type="checkbox"/> Enclosed <input type="checkbox"/> Authorized to be charged to deposit account</p> <hr/> <p>8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)</p>
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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.

Erin O'Brien *Erin O'Brien* March 6, 2003
Name of Person Signing Signature Date

Total number of pages comprising cover sheet: [7]

Mail Documents to be recorded with required cover sheet information to:
 U.S. Patent and Trademark Office, Office of Public Records
 1213 Jefferson Davis Highway, 3rd Floor
 Arlington, VA 22202

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 U.S. PATENT AND TRADEMARK OFFICE

03/07/2003 TBIAZ1 00000109 75889740
 01 FC:8521 40.00 DP
 02 FC:8522 100.00 DP

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 1030642-909600

TRADEMARK
 REEL: 002685 FRAME: 0453

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of December 20, 2002 by and between COMERICA BANK-CALIFORNIA ("Bank") and NETILLA NETWORKS, INC., a Delaware corporation ("Grantor").

RECITALS

A. Bank has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in that certain Loan and Security Agreement by and between Bank and Grantor dated of even date herewith (as the same may be amended, modified or supplemented from time to time, the "Loan Agreement"; capitalized terms used herein are used as defined in the Loan Agreement).

B. 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 Agreement.

C. Pursuant to the terms of the Loan Agreement, 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 Agreement and all other agreements now existing or hereafter arising between Grantor and Bank, Grantor hereby represents, warrants, covenants and agrees as follows:

AGREEMENT

To secure its obligations under the Loan Agreement and under any other agreement now existing or hereafter arising between Bank and Grantor, 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 Agreement. The rights and remedies of Bank with respect to the security interest granted hereby are in addition to those set forth in the Loan Agreement 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 Agreement 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 Agreement 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.

Grantor represents and warrants that Exhibits A, B, and C attached hereto set forth any and all material 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.

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:

Address of Grantor:

347 Elizabeth Avenue
Suite 100
Somerset, NJ 08873

Attn: Reginald P. Best

NETILLA NETWORKS, INC.

By:  _____

Title: VICE PRESIDENT _____

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

Comerica Bank-California
Commercial Loan Services Department
9920 S. La Cienega Blvd., 14th Floor
Inglewood, CA 90301

Attn: Loan Documentation

By: _____

Title: _____

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:

Address of Grantor:

347 Elizabeth Avenue
Suite 100
Somerset, NJ 08873

Attn: Reginald P. Best

NETILLA NETWORKS, INC.

By: 
Title: Vice President

BANK:

Address of Bank:

Comerica Bank-California
Commercial Loan Services Department
9920 S. La Cienega Blvd., 14th Floor
Inglewood, CA 90301

Attn: Loan Documentation

COMERICA BANK-CALIFORNIA


By: 
Title: Vice President

EXHIBIT A

Copyrights

<u>Description</u>	<u>Registration Number</u>	<u>Registration Date</u>
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None.

EXHIBIT B

Patents

<u>Description</u>	Registration/ Application <u>Number</u>	Registration/ Application <u>Date</u>
Virtual Office	Pending/Provisional	March 14, 2000
Remote Network Monitoring and Management	Pending/Provisional	April 13,2000

EXHIBIT C

Trademarks

1. U.S. Trademarks.

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>	<u>Status</u>
Netilla (block)	2,528,347	8 Jan 02	Registered
Netilla (stylized)	75/889,740	7 Jan 00	Published
Netilla dude (logo)	2,525,918	1 Jan 02	Registered
NETILLA VIRTUAL OFFICE	2,451,058	15 May 01	Registered
MAKING THE REMOTE ACCESSIBLE	2,545,003	5 Mar 02	Registered
MAKING THE REMOTE ACCESSIBLE			Pending

2. Foreign Trademarks.

<u>Description</u>	<u>Country</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>	<u>Renewal Date</u>	<u>Status</u>
Netilla (block)	Australia	840605	28 Jun 00	28 Jun 10	Registered
Netilla (block)	Canada	1066301	6 Jul 00		Pending
Netilla (block)	European Community	1726645	15 Oct 01	27 Jun 10	Registered
Netilla (block)	Japan	4523816	22 Nov 01	22 Nov 06	Registered
Netilla (block)	China	1634487	14 Sep 01	13 Sep 11	Registered
Netilla (block)	China	1749284	14 Apr 02	13 Apr 12	Registered
Netilla (block)	China	1739693	28 Mar 02	27 Mar 12	Registered
Netilla (block)	China	1675674	28 Nov 01	27 Nov 11	Registered
Netilla dude (logo)	Australia	840604	28 Jun 00	28 Jun 10	Registered
Netilla dude (logo)	Canada				Published
Netilla dude (logo)	European Community				Published
Netilla dude (logo)	Japan	4518688	02 Nov 01	02 Nov 06	Registered
Netilla Dude (logo)	China	1634488	14 Sep 01	13 Sep 11*	Registered
Netilla Dude (logo)	China	1749283	14 Apr 02	13 Apr 12	Registered
Netilla Dude (logo)	China	1744489	07 Apr 02	07 Apr 12	Registered
Netilla Dude (logo)	China	1675683	28 Nov 01	27 Nov 11	Registered

* Borrower to confirm date.

4365 Executive Drive, Suite 1100
San Diego, CA 92121-2133

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O) 858-638-6717
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OUR FILE NO. 1030642-909600

March 6, 2003

VIA FEDERAL EXPRESS

U.S. Patent and Trademark Office
Office of Public Records
1213 Jefferson Davis Highway, 3rd Floor
Arlington, VA 22202

Re: Grantor: Netilla Networks, Inc.
Secured Party: Comerica Bank-California

Dear Sir or Ms:

Enclosed please find the following documents:

1. Recordation Form Cover Sheet for Trademarks only;
2. Intellectual Property Security Agreement between Netilla Networks, Inc. and Comerica Bank-California; and
3. A self-addressed postage paid postcard for your use to indicate your receipt of the enclosed documents.

Also included is a check to cover recordation fees. Please record these documents and return the original Notice of Recordation to me at the above-listed address after the security interest has been recorded.

Sincerely,

Gray Cary Ware & Freidenrich LLP



Erin O'Brien, Paralegal
eobrien@graycary.com

Enclosures

cc: Ms. Sandra Lucero (w/enclosures)

Gray Cary\PA\10276308.1
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ASSIGNMENTS DIV