

04-14-2004

FORM PTO-1594

RE



U.S. DEPARTMENT OF COMMERCE

(Rev. 03/01)

Patent and Trademark Office

OMB No. 0651-0027 (exp. 05/31/2002)

102720523

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

1. Name of conveying party(ies): LVL7 Systems, Inc. 4-13-04		2. Name and address of receiving party(ies): Name: Silicon Valley Bank Internal Address: HA155 Street Address: 3003 Tasman Drive	
<input type="checkbox"/> Individual(s)	<input type="checkbox"/> Association	City: Santa Clara State: CA ZIP: 95054	
<input type="checkbox"/> General Partnership	<input type="checkbox"/> Limited Partnership		
<input checked="" type="checkbox"/> Corporation-State			
<input type="checkbox"/> Other			
Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No	
3. Nature of conveyance:		Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/> Assignment	<input type="checkbox"/> Merger	<input type="checkbox"/> Individual(s) citizenship	
<input checked="" type="checkbox"/> Security Agreement	<input type="checkbox"/> Change of Name	<input type="checkbox"/> Association	
<input type="checkbox"/> Other _____		<input type="checkbox"/> General Partnership	
		<input type="checkbox"/> Limited Partnership	
		<input checked="" type="checkbox"/> Corporation-State-Delaware	
		<input type="checkbox"/> Other	
Execution Date: March 22, 2004			

4. Application number(s) or registration number(s):	
A. Trademark Application No.(s) <u>2,723,295</u>	B. Trademark No.(s) <u>76/508,518</u>
Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

5. Name and address of party to whom correspondence concerning document should be mailed:		6. Total number of applications and registrations involved: 2	
Name: Silicon Valley Bank		7. Total fee (37 CFR 3.41): \$65	
Internal Address: Loan Documentation HA155		<input checked="" type="checkbox"/> Enclosed	
Street Address: 3003 Tasman Dr.		<input type="checkbox"/> Authorized to be charged to deposit account	
City: Santa Clara	State: Ca	ZIP: 95054	
		8. Deposit account number: (Attach duplicate copy of this page if paying by deposit account)	

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.

Maribel Arteaga Maribel Arteaga 4/16/04
Name of Person Signing Signature Date

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

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

TRADEMARK
REEL: 002947 FRAME: 0309

APR 13 AM 7 20
 CFR/TT/ANOE
 04/14/2004 ECDUPER 00000008 2723295
 40.00 MF
 25.00 MF
 01 FC: 6521
 02 FC: 6522

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made as of the Effective Date by and between LVL7 Systems, Inc. ("Grantor"), and Silicon Valley Bank, a California banking corporation ("Bank").

RECITALS

A. Bank will make advances to Grantor ("Advances") as described in the Accounts Receivable Financing Agreement (the "Financing Agreement"), but only if Grantor grants Bank a security interest in its Copyrights, Trademarks, Patents, and Mask Works. Defined terms used but not defined herein shall have the same meanings as in the Financing Agreement.

B. Pursuant to the terms of the Financing 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 Grantor's indebtedness under the Financing 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 Bank, 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) All mask works or similar rights available for the protection of semiconductor chips, now owned or hereafter acquired, including, without limitation those set forth on Exhibit D attached hereto (collectively, the "Mask Works");

(g) 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;

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

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

(j) 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 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 transfer or otherwise encumber any interest in the Intellectual Property Collateral, except for non-exclusive licenses granted by Grantor 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 Bank 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, Copyright, or Mask Work specified in this IP Agreement;

(f) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents, Copyrights, and Mask Works, (ii) use its best efforts to detect infringements of the Trademarks, Patents, Copyrights, and Mask Works and promptly advise Bank in writing of material infringements detected and (iii) not allow any Trademarks, Patents, Copyrights, or Mask Works to be abandoned, forfeited or dedicated to the public without the written consent of Bank, 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 Bank may reasonably request from time to time to perfect or continue the perfection of Bank's interest in the Intellectual Property Collateral;

(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 Bank 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 Note and the Financing 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 and Mask Works 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 Bank of its rights and remedies thereunder;

(j) All information heretofore, herein or hereafter supplied to Bank 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

Address of Bank:

3003 Tasman Drive
Santa Clara, CA 95054

BANK:

SILICON VALLEY BANK.

By: Margaret R. Keller
Name: MARGARET R. KELLER
Title: MARKET MANAGER

Exhibit "A" attached to that certain Intellectual Property Security Agreement.

EXHIBIT "A"

COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

<u>COPYRIGHT DESCRIPTION</u>	<u>REGISTRATION NUMBER</u>	<u>DATE OF ISSUANCE</u>
FASTHPATH MasterDrive R3.1.0	TX5-853-427	3-4-2003
FASTPATH R3.2.0	TX5-852-669	9-5-2003
FASTPATH Switching, Routing, Mgmt Device Transformation Layer: Enabling	TX5-808-257	1-11-2002
Applications to Run on Network	TX5-370-791	4-6-2001
FASTPATH Bandwidth Provisioning	TX5-704-837	7-23-2002
Device Transformation Layer	TX5-508-823	4-6-2004

SCHEDULE B - PENDING COPYRIGHT APPLICATIONS

<u>COPYRIGHT DESCRIPTION</u>	<u>APPLICATION NUMBER</u>	<u>DATE OF FILING</u>	<u>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" attached to that certain Intellectual Property Security Agreement.

EXHIBIT "B"

PATENTS

PATENT

DESCRIPTION DOCKET NO. COUNTRY SERIAL NO. FILING DATE STATUS

Method and Apparatus for Admission Control in Packet Switch
United States Patent Application No. 10/056,735
Attorney Docket No. 032429-010
Filing Date 1/25/2002
Publication No. US-2003-0142676-A1
Publication Date July 31, 2003

Exhibit "C" attached to that certain Intellectual Property Security Agreement.

EXHIBIT "C"
TRADEMARKS

<u>TRADEMARK</u> <u>DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO</u>	<u>STATUS</u>
FASTPATH Effective 7/28/2003 to 6/10/2013	US	76/288,409	2,723,295	Issued
MASTERDRIVER Filing Date 4/23/2003	US	76/508,518		Pending

Exhibit "D" attached to that certain Intellectual Property Security Agreement.

EXHIBIT "D"
MASK WORKS

<u>MASK WORK</u>	<u>DESCRIPTION</u>	<u>COUNTRY</u>	<u>SERIAL NO.</u>	<u>REG. NO</u>	<u>STATUS</u>
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NONE