

05-07-2004

517104

FORM PTO-1594
(Rev 5-93)



EET

U.S. DEPARTMENT OF COMMERCE
Patent and Trademark Office

102739883

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

<p>1. Name of conveying party(ies): LIQUID MACHINES, INC. <i>S-7-04</i></p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: DELAWARE Other:</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> 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: August 27, 2002</p>	<p>2. Name and address of receiving party(ies): Name: COMERICA BANK, successor by merger to COMERICA BANK-CALIFORNIA Address: 2321 ROSECRANS AVE., SUITE 5000 City: EL SEGUNDO State: CA Zip: 90245</p> <p>Individual(s) citizenship: Association: General Partnership: Limited Partnership: Corporation - State: Other: a Michigan banking corporation</p> <p>If assignee is not domiciled in the United States, a domestic representative designation is attached: <input type="checkbox"/> Yes <input type="checkbox"/> No (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
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<p>4. Application number(s) or trademark number(s): A. Trademark Application No.(s)</p> <p>78/253,240 78/253,246 78/253/250 78/253,262 78/401,589</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>B. Trademark Registration No.(s)</p>
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<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Erin O'Brien Internal Address: GRAY CARY WARE & FREIDENRICH 4365 Executive Drive, Suite 1100 San Diego, California 92121-2133</p>	<p>6 Total number of applications and registrations involved: 5</p> <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> <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
Name of Person Signing

Erin O'Brien
Signature

May 6, 2004
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

05/10/2004 8TON11 00000016 78253240

01 FC:8521 40.00 OP
02 FC:8522 100.00 OP

Gray Cary\PA\10356816.1
1090371-980200

TRADEMARK
REEL: 002963 FRAME: 0837

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement is entered into as of August 27, 2002 by and between COMERICA BANK-CALIFORNIA ("Bank") and LIQUID MACHINES, 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). 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.

B. 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 Grantor and Bank, 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 intellectual property rights in connection with 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.

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

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:

LIQUID MACHINES, INC.

Address of Grantor:

10 Maguire Road, Suite 110
Lexington, MA 02421

Attn: Chief Executive Officer

By:  _____

Title: CEO _____

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

9920 S. La Cienega Blvd., Suite 1401
Inglewood, CA 90301

Attn: Manager

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:

LIQUID MACHINES, INC.

Address of Grantor:

10 Maguire Road, Suite 110
Lexington, MA 02421

Attn: Chief Executive Officer

By: _____

Title: _____

BANK:

COMERICA BANK-CALIFORNIA

Address of Bank:

9920 S. La Cienega Blvd., Suite 1401
Inglewood, CA 90301

Attn: Manager

By: _____ 

Title: _____ VIC PRESIDENT

EXHIBIT A

Copyrights

Registration
Number

Registration
Date

Description

Gray Cary\PA\10253135.2
1090371-900000

TRADEMARK
REEL: 002963 FRAME: 0841

EXHIBIT B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Method for protecting digital content from unauthorized use by automatically and dynamically integrating a content-protection agent	10/194,655	07/11/02
Method and systems for protecting software applications against static and dynamic software piracy techniques	10/197,063	07/16/02

EXHIBIT C

Trademarks

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
Liquid Machines	78/253,240	05/22/03
Policy Droplet	78/253,246	05/22/03
Enabling Secure Business	78/253,250	05/22/03
(design only)	78/253,262	05/22/03
The Freedom of Security	78/401,589	04/01/04