

08-19-2004

FORM PTO-1594

REC

U.S. DEPARTMENT OF COMMERCE

(Rev. 03/01)

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

Patent and Trademark Office



102817081

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

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

- Individual(s)
- General Partnership
- Corporation-State
- Other
- Association
- Limited Partnership

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other
- Merger
- Change of Name

Execution Date: July 29, 2004

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

Name: **Silicon Valley Bank**
Internal Address: HA155

Street Address: 3003 Tasman Drive

City: Santa Clara State: CA ZIP: 95054

- 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

Additional name(s) & address(es) attached? Yes No

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

A. Trademark Application No.(s)

75/594,719

78/307,646

78/351,976

B. Trademark No.(s)

2,334,477 2,860,354 2,860,348

2,334,476 2,860,352 2,553,204

2,240,334 2,567,316 2,650,154

2,334,529 2,677,966 2,785,193

2,525,652 2,860,350

2,860,353 2,860,349

Additional numbers attached? Yes No

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

Name: **Silicon Valley Bank**

Internal Address: Loan Documentation HA155

Street Address: 3003 Tasman Dr.

City: Santa Clara State: Ca ZIP: 95054

6. Total number of applications and registrations involved: 19

7. Total fee (37 CFR 3.41): \$490.00

Enclosed

Authorized to be charged to deposit account

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.

08/18/2004 DBYRNE 00000020 75594719

01 FC:8521

02 FC:8522

40.00 DP

450.00 DP

Name of Person Signing
Trisha Sedillo
Susan Clay

Trisha Sedillo
Signature

8-3-04

Total number of pages including cover sheet, attachments, and document: 15

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patent & Trademarks, Box Assignments

Washington, D.C. 20231

TRADEMARK
REEL: 003028 FRAME: 0643

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "IP Agreement") is made as of the 29th day of July, 2004, by and between ArcSoft, Inc., a California corporation ("Grantor"), and Silicon Valley Bank, a California banking corporation ("Bank").

RECITALS

A. Bank will make credit extensions to Grantor as described in the Loan and Security Agreement (the "Loan Agreement") dated the Effective Date, but only if Grantor grants Bank a security interest in its Copyrights, Trademarks and Patents. Capitalized terms used but not defined herein shall have the same meanings as in 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 Grantor's Indebtedness under the Loan 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 (all of which shall collectively be called the "Intellectual Property Collateral"), including, without limitation, the following:

(a) Any and all Copyrights, now or hereafter existing, created, acquired or held, including without limitation those set forth on Exhibit A attached hereto;

(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) Any and all Patents, including without limitation the patents and patent applications set forth on Exhibit B attached hereto;

(e) Any and all Trademarks, including without limitation those set forth on Exhibit C attached hereto;

(f) 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;

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

(h) All amendments, extensions, renewals and extensions of any of the Copyrights, Trademarks and Patents; and

(i) 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 Permitted Liens.

(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 Permitted Liens.

(d) To its knowledge, each of the Patents is valid and enforceable, and no material 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 except for any such claim that would not be expected to result in a Material Adverse Change.

(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 or Copyright specified in this IP Agreement.

(f) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights which are material to the Grantor's business, (ii) use commercially reasonable efforts to detect infringements of the Trademarks, Patents and Copyrights and promptly advise Bank in writing of material infringements detected and (iii) not allow any Trademarks, Patents or Copyrights 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 not register any Copyrights with the United States Copyright Office unless it: (i) has given at least fifteen (15) days' prior notice to Bank of its intent to register such Copyrights and has provided Bank with a copy of the application it intends to file with the United States Copyright Office (excluding exhibits thereto); (ii) executes a security agreement or such other documents as Bank may reasonably request in order to maintain the perfection and priority of Bank's security interest in the Copyrights proposed to be registered with the United States Copyright Office; and (iii) records such security documents with the United States Copyright Office contemporaneously with filing the Copyright application(s) with the United States Copyright Office. Grantor shall promptly provide to Bank a copy of the Copyright application(s) filed with the United States Copyright Office, together with evidence of the recording of the security documents necessary for Bank to maintain the perfection and priority of its security interest in such Copyrights. Grantor shall provide written notice to Bank of any application filed by Grantor in the United States Patent Trademark Office for a patent or to register a trademark or service mark within 30 days of any such filing.

(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 Loan Agreement upon making the filings referred to in clause (i) below.

(i) To its knowledge (except for, and upon, the filing of financing statements under the Code with the Secretary of State of the State of Delaware, 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 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 or U.S. regulatory body is required either (x) 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 (y) 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 obligations hereunder without Bank's prior written consent, which consent shall not be unreasonably withheld.

(l) Upon any executive officer of Grantor obtaining actual knowledge thereof, Grantor will promptly notify Bank in writing of any event that materially adversely affects the value of any material Intellectual Property Collateral, the ability of Grantor to dispose of any material Intellectual Property Collateral or the rights and remedies of Bank in relation thereto, including the levy of any legal process against any of the Intellectual Property Collateral.

4. Bank's Rights. Bank shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this IP Agreement to take but which Grantor fails to take. Grantor shall reimburse and indemnify Bank for all reasonable costs and reasonable expenses incurred in the reasonable exercise of its rights under this Section 4.

5. Intentionally Omitted.

6. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will, subject to any prior licenses, encumbrances and restrictions and prospective licenses, make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademarks Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Bank, to perfect Bank's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this IP Agreement, or for assuring and confirming to Bank the grant or perfection of a security interest in all Intellectual Property Collateral.

(b) Grantor hereby irrevocably appoints Bank as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, Bank or otherwise, from time to time in Bank's discretion, upon Grantor's failure or inability to do so, to take any action and to execute any instrument which Bank may deem necessary or advisable to accomplish the purposes of this IP Agreement, including:

(i) To modify, in its sole discretion, this IP Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A, Exhibit B, Exhibit C, and Exhibit D hereof, as appropriate, to include reference to any right, title or interest

in any Copyrights, Patents, Trademarks or Mask Works acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents, Trademarks, or Mask Works in which Grantor no longer has or claims any right, title or interest; and

(ii) To file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Intellectual Property Collateral without the signature of Grantor where permitted by law.

7. Events of Default. An "Event of Default" under the Loan Agreement shall constitute an Event of Default under this IP Agreement.

8. Remedies. Upon the occurrence and continuance of an Event of Default, Bank shall have the right to exercise all the remedies of a secured party under the Code, including without limitation the right to require Grantor to assemble the Intellectual Property Collateral and any tangible property in which Bank has a security interest and to make it available to Bank at a place designated by Bank. Bank shall have a nonexclusive, royalty free license to use the Copyrights, Patents, Trademarks, and Mask Works to the extent reasonably necessary to permit Bank to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including reasonable attorneys' fees) incurred by Bank in connection with the exercise of any of Bank's rights hereunder, including without limitation any expense incurred in disposing of the Intellectual Property Collateral. All of Bank's rights and remedies with respect to the Intellectual Property Collateral shall be cumulative.

9. Reassignment. At such time as Grantor shall completely satisfy all of the obligations secured hereunder, Bank shall execute and deliver to Grantor all lien releases and other instruments as may be necessary or proper to release and evidence the termination of the security interest granted to Bank hereunder, subject to any disposition thereof which may have been made by Bank pursuant hereto.

10. Indemnification. Section 12.2, Indemnification, of the Loan Agreement is hereby incorporated in this IP Agreement by reference herein.

11. Course of Dealing. No course of dealing, nor any failure to exercise, nor any delay in exercising any right, power or privilege hereunder shall operate as a waiver thereof.

12. Attorneys' Fees. If any action relating to this IP Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements.

13. Amendments. Subject to Section 6(b)(i) above, this IP Agreement may be amended only by a written instrument signed by both parties hereto.

14. Counterparts. This IP 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.

15. Law and Jurisdiction. This IP Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard for choice of law provisions. Grantor and Bank consent to the nonexclusive jurisdiction of any state or federal court located in Santa Clara County, California.

16. Confidentiality. In handling any confidential information, Bank will exercise the same degree of care that it exercises for its own proprietary information (which shall be no less than reasonable care), but disclosure of information may be made (a) to Bank's subsidiaries or affiliates in connection with their business with Grantor, (b) to prospective transferees or purchasers of any interest in the loans, provided that Bank shall not transfer any interest in the loans to any person who directly competes with Grantor, (c) as required by law, regulation, subpoena, or other order, (d) as required in connection with Bank's field examinations or audits, and (e) as Bank considers appropriate in exercising remedies under this IP Agreement or the Loan Agreement. Confidential information does not include information that either: (x) is in the public domain or in Bank's possession when disclosed to Bank, or becomes part of the public domain after disclosure to Bank through no fault of Bank, or (y) is disclosed to Bank by a third party, if Bank does not know that the third party is prohibited from disclosing the information.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

Address of Grantor:

46601 Fremont Blvd.
Fremont, CA 94538

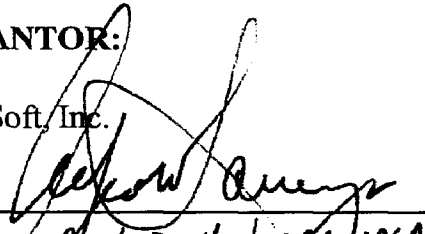
GRANTOR:

ArcSoft, Inc.

By: _____

Name: _____

Title: _____


ALFRED V. LARRANAGA
SUP + CFO

BANK:

Silicon Valley Bank

By: _____

Name: _____

Title: _____

IN WITNESS WHEREOF, the parties hereto have executed this IP Agreement on the day and year first above written.

Address of Grantor:

46601 Fremont Blvd.
Fremont, CA 94538

GRANTOR:

ArcSoft, Inc.

By: 

Name: ALFRED V. LARRANAGA

Title: SUP + CFO

BANK:

Silicon Valley Bank

By: 

Name: TIM LALICH

Title: Senior VP

EXHIBIT "A"

COPYRIGHTS

SCHEDULE A - ISSUED COPYRIGHTS

<u>COPYRIGHT DESCRIPTION</u>	<u>REGISTRATION NUMBER</u>	<u>DATE OF ISSUANCE</u>
ArcSoft PhotoBase 3.0 Computer program	TXu-1-027-532	4/15/02
ArcSoft ShowBiz 1.0 Computer program	TXu-1-027-533	4/15/02
ArcSoft VideoImpression 1.6 Computer program	TXu-1-027-534	4/15/02
ArcSoft DVD solution Computer program	TXu-1-027-535	4/15/02

SCHEDULE B - PENDING COPYRIGHT APPLICATIONS

<u>COPYRIGHT PUBLIC DESCRIPTION</u>	<u>APPLICATION NUMBER</u>	<u>DATE OF FILING</u>	<u>DATE OF CREATION</u>	<u>FIRST DATE OF</u>
None.				

SCHEDULE C - UNREGISTERED COPYRIGHTS (Where No Copyright Application is Pending)

Copyright Description	Date of Creation	First Date of Distribution	Original Author/Owner (if different from Grantor)	Date and Recordation Number of IP Agreement to Owner or Grantor (if original author or owner of copyright is different from Grantor)
ArcSoft PhotoImpression	October 1996	January 1995	Grantor	
ArcSoft PhotoBase	December 1996	January 1997	Grantor	

SF/21567304.2

ArcSoft ShowBiz DVD	May 2002	December 2002	Grantor	
ArcSoft Funhouse	November 1996	July 1997	Grantor	
ArcSoft VideoImpression	January 1999	January 1999	Grantor	
ArcSoft Panorama Maker	June 1999	November 1999	Grantor	
ArcSoft Greeting Card Creator	March 2002	March 2002	Grantor	
ArcSoft PhotoPrinterPro	January 1999	January 1999	Grantor	
ArcSoft PhotoMontage	August 1998	September 1998	Grantor	
PhotoStudio	July 1994	July 1994	Grantor	
ArcSoft PhotoPrinter	November 1996	April 1997	Grantor	
ArcSoft Multimedia Email	July 2001	August 2001	Grantor	
ArcSoft Collage Creator	March 2003	March 2003	Grantor	
ArcSoft Media Card Companion	January 2004	March 2004	Grantor	
ArcSoft Quick DVD	October 2003	November 2003	Grantor	
ArcSoft DVD SlidShow	November 2003	March 2004	Grantor	
ArcSoft VideoStablizer	January 2004	March 2004	Grantor	
ArcSoft MMS Composer	December 2002	January 2003	Grantor	

Exhibit "B" attached to that certain Intellectual Property Security Agreement dated July 29, 2004

EXHIBIT "B"

PATENTS

Patent Name	Applications Number/ Registration Number	File Date	Status
See attachment			

Title	Serial No.	Filing Date	Current Status
Automated Picture Montage Method and Apparatus	09/394,115; 6,549,679	9/10/1999	Issued on April 15, 2003 RCE
Video Editing GUI with Layer View	10/188,463	7/1/2002	Awaiting USPTO action
Method And Apparatus For Real-Time Rendering Of Edited Video Stream	09/891,613	6/25/2001	Awaiting USPTO action
Real-Time Rendering of Edited Video Stream	10/177,237	6/21/2002	Awaiting USPTO action
Image Warping Correction in Forming 360 Degree Panoramic Images	10/230,786	8/28/2002	Awaiting USPTO action;
Smart Scan	10/159,707	5/31/2002	Awaiting USPTO action
Video Stabilizer	10/003,329	10/31/2001	Awaiting USPTO action
Multiple Image Area Detection in a Digital Image	10/010,053	11/9/2001	Awaiting USPTO action
Object Extraction	10/123,019	4/11/2002	Awaiting USPTO action
Shot Boundary Detection	10/008,338	11/9/2001	Awaiting USPTO action
Dynamic Web Page Authoring and Generation Using Static Templates	09/545,366	4/7/2000	Awaiting USPTO action
Dynamic Link	09/545,045	4/7/2000	Awaiting next USPTO action
Photomontage Using Multiple Layer Placement and Color Variation	09/657,070	9/7/2000	Final office action allowed some claims; filed RCE; awaiting next USPTO action
Image Matching Using Resolution Pyramids with Geometric Constraints	09/665,917	9/20/2000	Filed response to Final Office Action; awaiting next USPTO action
Process and Data Structure for Providing Required Resolution of Data Transmitted Through a Communications Link of Given Bandwidth	09/797,191	2/28/2001	Filed RCE w/ Rule 132 Decl.; awaiting next USPTO action
Image Retrieval	10/411,532	4/9/2003	Awaiting USPTO action
Graphic Engine for Resource-Constrained Devices	10/614,879	7/7/2003	Awaiting USPTO action
Graphic Engine for Approximating a Quadratic Bezier Curve in a Resource-Constrained Device	10/614,876	7/7/2003	Awaiting USPTO action
Graphic Engine for Handling Sub-Pixel Regions in a Resource-Constrained Device	10/614,883	7/7/2003	Awaiting USPTO action
Graphic Engine for Fill Style Transferring in a Resource-Constrained Device	10/614,945	7/7/2003	Awaiting USPTO action
Better Picture for Inexpensive Cameras	10/641,679	8/15/2003	Awaiting USPTO action
Better Picture for Inexpensive Cameras	10/641,972	8/15/2003	Awaiting USPTO action
JPEG Processing Engine for Low Profile Systems	10/666,692	9/18/2003	Awaiting USPTO action
Edge Based Alignment Algorithm	10/666,691	9/18/2003	Awaiting USPTO action
Color Correction for Images Forming a Panormaic Image	10/692,666	10/24/2003	Awaiting USPTO action
Pseudo-frame Technology for MPEG-2 Encoding	10/703,847	11/7/2003	Awaiting USPTO action
Tree Structure	10/717,853	11/18/2003	Awaiting USPTO action
Image Inpainting	10/748,419	12/29/2003	Awaiting Notice of Missing Parts
Panoramic Maker Engine for a Low Profile System	10/692,446	10/22/2003	
Slow Motion Processing of Digital Video Data	10/748,371	12/29/2003	Awaiting USPTO action
Media Card File Transfer Utility	n/a	4/16/2004	Awaiting USPTO action
Automatic Red Eye Removal	n/a	4/16/2005	Awaiting USPTO action

EXHIBIT "C"

TRADEMARKS

Trademarks	Registration Number/ Application Number	Registration Date/ File Date	Status
ARCISOFT	Reg. # 2334477	3/28/00	Registered
ARCISOFT (design)	Reg. # 2334476	3/28/00	Registered
PhotoStudio	Reg. # 2240334	4/20/99	Registered
ArcSoft PhotoPrinter	Reg. # 2334529	3/28/00	Registered
ArcSoft PhotoMontage	Reg. # 2525652	1/1/02	Registered
ArcSoft PhotoBase	Reg. # 2860353	7/6/04	Registered
ArcSoft PhotoImpression	Reg. # 2860354	7/6/04	Registered
ArcSoft VideoImpression	Reg. # 2860352	7/6/04	Registered
ArcSoft ShowBiz	Reg. # 2567316	5/7/02	Registered
ArcSoft Funhouse	Reg. # 2677966	1/21/03	Registered
ArcSoft Panorama Maker	Reg. # 2860350	7/6/04	Registered
ArcSoft Collage Creator	Reg. # 2860349	7/6/04	Registered
ArcSoft Greeting Card Creator	Reg. # 2860348	7/6/04	Registered
PhotoIsland	Reg. # 2553204	3/26/02	Registered
NEWSDX	Reg.# 2650154	11-12-02	Registered
ArcsoftPhotoFantasy	Ser# 75594719	Filed on 11-24-98	
Livecom	Reg. #2785193	11-25-03	Registered
ArcSoft DVD Slideshow	Ser. # 78307646	Filed on 9/30/03	Published for opposition 4/13/04
ArcSoft Multimedia Email	Ser. # 78351976	Filed on 1/14/04	

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