

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	Grant of Trademark Security Interest under the Trademark Security Agreement (Second Lien)

CONVEYING PARTY DATA

Name	Formerly	Execution Date	Entity Type
Labnet International, Inc.		09/07/2006	CORPORATION: NEW JERSEY

RECEIVING PARTY DATA

Name:	American Capital Financial Services, Inc., as Agent for the Purchasers under the Note Purchase Agreement
Street Address:	2 Bethesda Metro Center, 14th Floor
City:	Bethesda
State/Country:	MARYLAND
Postal Code:	20814
Entity Type:	Unknown:

PROPERTY NUMBERS Total: 2

Property Type	Number	Word Mark
Registration Number:	1991148	BIOFREE
Registration Number:	2379980	BIOPETTE

CORRESPONDENCE DATA

Fax Number: (213)430-6407
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Email: gdurham@omm.com
 Correspondent Name: Gina M. Durham, Esq.
 Address Line 1: 400 South Hope Street
 Address Line 2: O'Melveny & Myers LLP
 Address Line 4: Los Angeles, CALIFORNIA 90071

NAME OF SUBMITTER:	Gina M. Durham
Signature:	/Gina M. Durham/

CH \$65.00 1991148

Date:

09/11/2006

Total Attachments: 6

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TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT, dated as of September 7, 2006, by each of the entities listed on the signature pages hereof or that becomes a party hereto pursuant to Section 7.14 of the Security Agreement referred to below (each a "Grantor" and, collectively, the "Grantors"), in favor of American Capital Financial Services, Inc. ("ACFS"), as agent for the Secured Parties (as defined in the Purchase Agreement referred to below) (in such capacity, the "Agent").

RECITALS:

A. AXYGEN HOLDINGS CORPORATION, a Delaware corporation ("Holdings"), AXYGEN, INC., a California corporation ("Company"), the purchasers from time to time party thereto (the "Purchasers") and the Agent have entered into a Note Purchase Agreement, dated as of September 7, 2006 (as amended, supplemented or otherwise modified from time to time, the "Purchase Agreement");

B. Holdings has guaranteed the Obligations pursuant to the Holdings Guaranty, and the Subsidiary Guarantors have guaranteed the Obligations pursuant to the Subsidiary Guaranties; and

C. All the Grantors are party to a Pledge and Security Agreement of even date herewith in favor of the Agent (the "Security Agreement") pursuant to which the Grantors are required to execute and deliver this Trademark Security Agreement;

NOW, THEREFORE, in consideration of the premises and to induce the Purchasers, the Issuers and the Agent to enter into the Purchase Agreement and to induce the Purchasers and the Issuers to make their respective extensions of credit to the Company thereunder, each Grantor hereby agrees with the Agent as follows:

SECTION 1. DEFINED TERMS

1.1 Unless otherwise defined herein, terms defined in the Purchase Agreement or in the Security Agreement and used herein have the meaning given to them in the Purchase Agreement or the Security Agreement.

SECTION 2. GRANT OF SECURITY INTEREST IN TRADEMARK COLLATERAL

2.1 Each Grantor, as collateral security for the full, prompt and complete payment and performance when due (whether at stated maturity, by acceleration or otherwise) of the Obligations of such Grantor, hereby mortgages, pledges and hypothecates to the Agent, for the benefit of the Secured Parties, and grants to the Agent, for the benefit of the Secured Parties, a lien on and security interest in, all of its right, title and interest in, to and under the following Collateral of such Grantor (the "Trademark Collateral");

(a) all of its Trademarks and Trademark Licenses to which it is a party, including, without limitation, those referred to on Schedule I hereto;

(b) all reissues, continuations or extensions of the foregoing;

(c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each Trademark License; and

(d) all Proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present, future (i) infringement or dilution of any Trademark or Trademark licensed under any Trademark License or (ii) injury to the goodwill associated with any Trademark or any Trademark licensed under any Trademark License.

SECTION 3. SECURITY AGREEMENT

3.1 The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Agent pursuant to the Security Agreement and each Grantor hereby acknowledges and affirms that the rights and remedies of the Agent with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

SECTION 4. INTERCREDITOR AGREEMENT

4.1 Notwithstanding anything herein to the contrary, the security interest granted pursuant to this Trademark Security Agreement to the Agent pursuant to Section 2 and the exercise of any right or remedy by the Agent hereunder, are subject to the provisions of the Intercreditor Agreement (as defined in the Security Agreement). In the event of any conflict between the terms of the Intercreditor Agreement and this Agreement, the terms of the Intercreditor Agreement shall govern and control.

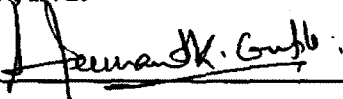
[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

Grantors:

AXYGEN, INC.

By: 

Name: Hemant K. Gupta

Title: Chief Executive Officer and President

LABNET INTERNATIONAL INC.

By: _____

Name: Amit Bansal

Title: Vice President

IN WITNESS WHEREOF, each Grantor has caused this Trademark Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

Very truly yours,

Grantors:


AXYGEN, INC.

By: _____

Name: Hemant K. Gupta

Title: Chief Executive Officer and President

LABNET INTERNATIONAL INC.

By:  _____

Name: Amit Bansal

Title: Vice President

ACCEPTED AND AGREED
as of the date first above written:

**AMERICAN CAPITAL FINANCIAL
SERVICES, INC.,**
as Agent

By: 

Name: Frank Do

Title: Senior Vice President

SCHEDULE I
TO
TRADEMARK SECURITY AGREEMENT

Trademark Registrations

Trademark Registrations:

<u>Registered Owner</u>	<u>Mark</u>	<u>Registration Number</u>	<u>Registration Date</u>	<u>Jurisdiction</u>
Axygen, Inc.	AXYGEN	1973778	05/14/1996	United States
Labnet International, Inc.	BIOFREE	1,991,148	08/16/1996	United States
Labnet International, Inc.	BIOPETTE	2379980	08/22/2000	United States

Trademark Applications:

<u>Applicant Owner</u>	<u>Mark</u>	<u>Serial Number</u>	<u>Application Date</u>	<u>Jurisdiction</u>
Axygen, Inc.	INTERLOK	78639082	05/27/2005	United States
Axygen, Inc.	OPTICSEAL	78841376	03/20/2006	United States
Axygen, Inc.	EXSEAL	78841365	03/20/2006	United States
Axygen, Inc.	RIGIPLATE	78841259	03/20/2006	United States
Axygen, Inc.	PEPREP	78504878	10/24/2004	United States

Common Law Marks:

<u>Owner</u>	<u>Mark</u>
Axygen, Inc.	AXYGEN
Axygen, Inc.	AXYGEN SCIENTIFIC
Axygen, Inc.	MAXYIMUM RECOVERY

Trademark Licenses:

Exclusive Trademark License Agreement among Axygen, Inc. and Axygen Scientific, an Indian sole proprietorship, dated June 1, 2001, permitting Axygen Scientific to use the AXYGEN mark in India.

License and Supply Agreement among Cytonix Corporation and Axygen, Inc., dated as of 1998. (Patent and trademark license).

Settlement Agreement dated as of December 19, 2005 between Labnet International, Inc. and Brand GmbH & Co. KG.