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Form PTO-1594
(Rev. 03/01)
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10-10-2002



U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office
Client/Matter: 459351/0001

To the Honorable Commissioner of

102246666

3 original documents or copy thereof.

1. Name of conveying party(ies):
Alliance Pharmaceutical Corp.

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

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

2. Name and address of receiving party(ies)
Name: SDS Merchant Fund, L. P.
Internal
Address: Second floor
Street Address: 53 Forest Avenue
City: Old Greenwich State: CT Zip: 06870

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

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 No

3. Nature of conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other _____

Execution Date: September 30, 2002

4. Application number(s) or registration number(s):
A. Trademark Application No.(s)
76/426,064

B. Trademark Registration No.(s)
2,010,189

Additional number(s) attached Yes No

6. Total number of applications and registrations involved: 2

7. Total fee (37 CFR 3.41).....\$ 65.00

Enclosed
 Authorized to be charged to deposit account

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: James F. Dobrow
Internal Address: Stroock & Stroock & Lavan LLP
Street Address: 180 Maiden Lane
City: New York State: NY Zip: 10038

8. Deposit account number:
19-4709

(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.

James F. Dobrow [Signature] October 9, 2002
Name of Person Signing Signature Date

Total number of pages including cover sheet, attachments, and document: 6

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

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10/10/2002 6TON11 00000141 194709 76426064

01 FC:481 40.00 CH lg
02 FC: 482 25.00 CH

TRADEMARK
REEL: 002595 FRAME: 0508

TRADEMARK SECURITY AGREEMENT

TRADEMARK SECURITY AGREEMENT dated this 4th day of October 2002, made by Alliance Pharmaceutical Corp., a New York corporation, (the "Grantor") to SDS Merchant Fund, L.P., as Collateral Agent (the "Collateral Agent") for the benefit of the holders of the Notes (as hereinafter defined) (collectively, the "Secured Parties").

W I T N E S S E T H:

The Grantor and the Secured Parties are entering into a Convertible Secured Note Purchase Agreement, dated as of the date hereof (the "Convertible Secured Note Purchase Agreement"), with the initial closing taking place on the date hereof and subsequent closings taking place at a later date;

WHEREAS, pursuant to the Convertible Secured Note Purchase Agreement the Secured Parties may purchase up to \$3,000,000 in aggregate principal amount of the Grantor's Convertible Secured Promissory Notes (the "Notes");

WHEREAS, the Grantor has agreed to grant to the Collateral Agent for the benefit of the Secured Parties a security interest in certain of its property and assets relating to the Products, second in priority only to the Prior Liens to secure the performance of the obligations of the Grantor under the Convertible Secured Note Purchase Agreement and the Notes;

WHEREAS, the Grantor is contemporaneously entering into an Imagent Security Agreement with the Collateral Agent for the benefit of the Secured Parties, an Imagent and Oxygent Patent and Trademark Security Agreement with the Collateral Agent for the benefit of the Secured Parties (the "Patent and Trademark Security Agreement"), and a General Collateral Security Agreement with the Collateral Agent for the benefit of the Secured Parties; and

WHEREAS, Grantor and Collateral Agent for the benefit of the Secured Parties by this instrument seek to confirm and make a record of the grant of a security interest in the trademarks relating to the Products.

NOW, THEREFORE, in consideration of the premises set forth above the Grantor hereby agrees with the Collateral Agent as follows:

Section 1. **Defined Terms.** Unless otherwise defined herein, terms used herein shall have the meaning given to them in the Patent and Trademark Security Agreement.

Section 2. **Grant of Security Interest in Trademark Collateral.** As collateral security for the prompt and complete payment and performance when due of the Obligations, the Grantor hereby grants to the Collateral Agent for the benefit of the Secured Parties a continuing security interest second in priority only to the Prior Liens in all of the following property now owned by the Grantor, and/or in which the Grantor has, or hereafter at any time during the term of the Patent and Trademark Security Agreement acquires, an unrestricted right, title or interest:

(a) all Product Trademarks and Product Trademark Applications, including those listed on Schedule A hereto;

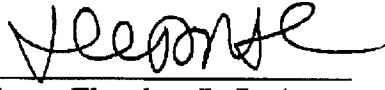
- (b) all License Rights relating to Product Trademarks;
- (c) all goodwill of the business connected with the use of, and symbolized by, each Trademark and each License Right relating to the Product Trademarks;
- (d) and all Accounts (as defined in the Code), contract rights and General Intangibles arising under or relating to all License Rights relating to the Product Trademarks and to the extent not otherwise included, all products and proceeds of any and all of the foregoing.

Section 3. **Security Agreement.** The security interest granted pursuant to this Trademark Security Agreement is granted in conjunction with the security interest granted to the Collateral Agent for the benefit of the Secured Parties pursuant to the Patent and Trademark Security Agreement, and Grantor hereby acknowledges and confirms that the rights and remedies of Collateral Agent with respect to the security interests in the Product Trademarks, Product Trademark Applications and License Rights relating to the Product Trademarks granted hereby are more fully set forth in the Patent and Trademark Security Agreement, the terms and provisions of which are incorporated herein by reference.

IN WITNESS WHEREOF, the parties signatory hereto have caused this Trademark Security Agreement to be duly executed and delivered as of the date first above written.

ALLIANCE PHARMACEUTICAL CORP.

SDS MERCHANT FUND, L.P.

By: 

Name: Theodore D. Roth
Title: President and Chief Operating
Officer

By: _____

Name: Steve Derby
Title: Managing Member

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TRADEMARK
REEL: 002595 FRAME: 0511

IN WITNESS WHEREOF, the parties signatory hereto have caused this Trademark Security Agreement to be duly executed and delivered as of the date first above written.

ALLIANCE PHARMACEUTICAL CORP.

SDS MERCHANT FUND, L.P.

By: _____
Name: Theodore D. Roth
Title: President and Chief Operating Officer

By: SLD _____
Name: Steve Derby
Title: Managing Member

SCHEDULE A

REGISTERED U.S. TRADEMARKS

Alliance Docket No.	Application No.	Registration No.	Mark	Filing Date	Registration Date
ALLIA.117T	75/027,205	2,010,189	IMAGENT	December 5, 1995	22 October 1996

PENDING U. S. TRADEMARK APPLICATIONS

Alliance Docket No.	Application No.	Registration No.	Mark	Filing Date	Registration Date
ALLIA.237T	N/A	N/A	IMAGENT PERFLEXANE LIPID MICROSPHERES and Design	June 26, 2002	N/A