

TRADEMARK ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
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NATURE OF CONVEYANCE:	SECURITY INTEREST
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CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
Nuada Pharmaceuticals, Inc.		10/31/2003	CORPORATION: DELAWARE

RECEIVING PARTY DATA	
Name:	Intersouth Partners V, L.P.
Composed Of:	COMPOSED OF Intersouth Partners V, L.P. as lender representative for the secured parties pursuant to the Intellectual Property Security Agreement
Street Address:	3211 Shannon Road
Internal Address:	Suite 610
City:	Durham
State/Country:	NORTH CAROLINA
Postal Code:	27707
Entity Type:	LIMITED PARTNERSHIP: NORTH CAROLINA

PROPERTY NUMBERS Total: 1		
Property Type	Number	Word Mark
Registration Number:	2659998	CHEMCODES

CORRESPONDENCE DATA	
Fax Number:	(919)781-4865
<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>	
Phone:	919-781-4000
Email:	awilliams@wyrick.com
Correspondent Name:	Anthony L. Williams
Address Line 1:	4101 Lake Boone Trail
Address Line 2:	Suite 300
Address Line 4:	Raleigh, NORTH CAROLINA 27607

ATTORNEY DOCKET NUMBER:	10849.41
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NAME OF SUBMITTER:	Robert T. Jones, Jr.
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Total Attachments: 5

900002779

**TRADEMARK
 REEL: 002739 FRAME: 0931**

OP \$40.00 2659998

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INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement"), dated as of October 31, 2003, is hereby entered into by and among Nuada Pharmaceuticals, Inc., a Delaware corporation (the "Borrower"), the purchasers set forth on Exhibit A to that certain Note and Warrant Purchase Agreement dated as of even date herewith (the "Purchase Agreement") (each, a "Lender" and sometimes collectively referred to herein as the "Lenders"), and Intersouth Partners V, L.P., as the representative of the Lenders (the "Lender Representative").

RECITALS:

WHEREAS, the Lenders will make loans to Borrower (collectively, the "Loan"), which Loan shall be evidenced by Convertible Secured Promissory Notes (the "Notes") issued on or after the date hereof pursuant to the Purchase Agreement between the Lenders and the Borrower, but only if Borrower grants the Lenders a security interest in its copyrights, trademarks and patents and other collateral described in that certain Security Agreement between Borrower and the Lenders (the "Collateral"), executed in connection with the Loan and dated as of the date hereof (the "Security Agreement"); and

WHEREAS, Borrower has granted the Lenders a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral.

NOW, THEREFORE, for good and otherwise valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Secured Obligations. This Agreement is given to secure the due and punctual payment of the principal of and interest on the Notes issued pursuant to the Purchase Agreement and the due and punctual performance of all other obligations under the Loan Documents (as defined in the Security Agreement) now existing and hereafter arising, including future advances (and additional Notes issued pursuant to the Purchase Agreement in respect thereof) made pursuant to the Purchase Agreement, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees if collected by or through an attorney-at-law (collectively the "Secured Obligations"); provided, however, that "Secured Obligations" shall not include any obligations of Borrower to any respective Lender as equity holder of any of Borrower's capital stock. This Agreement shall terminate and be of no further force or effect upon the terms set forth in Section 3 below.

2. Security Interest. As security for the due and punctual payment and performance by Borrower of the Secured Obligations, Borrower hereby grants the Lenders a security interest (which shall be subject and subordinate to the Permitted Liens, as defined in the Security Agreement) in all of its right, title and interest in its Intellectual Property (as defined below), subject to the last paragraph of this Section 2. As used herein, the term "Intellectual Property" shall include:

(a) All copyrights, trademarks, and patents of Borrower, including, without limitation, the copyrights, and patents, trademarks listed on Schedule A attached hereto, all amendments, renewals, extensions relating thereto, and all licenses or other rights to use the foregoing and all license fees and royalties from such use;

(b) Any trade secrets and any intellectual property rights in computer software and computer software products now or later existing, created, acquired or held by Borrower;

(c) All design rights which may be available to Borrower now or later created, acquired or held by Borrower;

(d) Any claims for damages (past, present or future) for infringement of any of the rights above, with the right, but not the obligation, to sue and collect damages for use or infringement of the intellectual property rights above; and

(e) All proceeds and products of any of the foregoing, including any and all insurance, indemnity or warranty payments, license royalties, proceeds of infringement suits, the right to sue for past, present and future infringements rights throughout the world, and all re-issues, divisions continuations, renewals, extensions and continuations-in-part with respect to any of the foregoing.

Notwithstanding the foregoing or anything else to the contrary contained herein or in the Security Agreement, no security interest shall attach to or be granted in Borrower's trademark application or service mark application for "Nuada Pharmaceuticals" unless and until a statement of use with respect to such applications has been filed with the U.S. Patent and Trademark Office. Upon the filing of such statement of use with respect to such applications, the security interest granted hereunder shall attach to such applications, and the Lenders shall be entitled to file such documents with the U.S. Patent and Trademark Office as are necessary to perfect such security interest therein.

3. Term of Agreement. Borrower acknowledges and agrees that the number and amount of the Secured Obligations may fluctuate from time to time hereafter. Borrower expressly agrees that this Agreement and the security interest in the Intellectual Property conveyed to the Lenders hereunder shall remain valid and in full force and effect, notwithstanding any such fluctuations and future payments. This Agreement shall terminate, and each Lender shall release its security interest in the Intellectual Property, upon the earlier to occur of (i) the payment in full by or on behalf of Borrower of all of the then outstanding Notes issued pursuant to the Purchase Agreement, and (ii) the conversion of the Notes pursuant to their terms.

This security interest is granted hereunder in conjunction with the security interest in the Collateral granted under the Security Agreement. The Lenders' rights and remedies in the Intellectual Property granted hereunder are in addition to those in the Purchase Agreement, the Security Agreement and other documents related thereto, and are in addition to those available at law or in equity. The Lenders' rights, powers and remedies herein are cumulative with every right, power or remedy provided in the Security Agreement. The Lenders' exercise of their rights, powers or remedies in this Agreement, the Purchase Agreement, the Security Agreement

or any other documents related thereto does not preclude the simultaneous or later exercise of any or all other rights, powers or remedies.

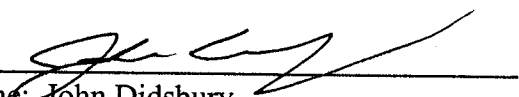
This Agreement may be amended only in a writing signed by both Borrower and the Lender Representative, and any amendment so effected shall be binding upon each of the Lenders.

[Signature page follows.]

This Agreement is hereby executed by the parties hereto as of the year and date first above written.

BORROWER:

NUADA PHARMACEUTICALS, INC.

By: 
Name: John Didsbury
Title: President and Chief Executive Officer

SCHEDULE A

INTELLECTUAL PROPERTY

Trademarks

CHEMCODES

U.S. Service Mark. Registration Number 2659998. Registered December 10, 2002.

NUADA PHARMACEUTICALS

U.S. Trademark. Serial Number 76/548048. Intent to use application filed on September 29, 2003.

NUADA PHARMACEUTICALS

U.S. Service Mark. Serial Number 76/548049. Intent to use application filed on September 29, 2003.

Patents

Contract Bidding for Custom Synthesis of a Chemical Structure.

U.S. Patent Application No. 09/773,563.

Apparatus, Method and Computer Program Product for Automated High-Throughput Sampling and Data Acquisition. PCT Patent Application. Attorney Docket No. 1341/2 PCT/US. U.S. National Phase Application No. 10/182,885.