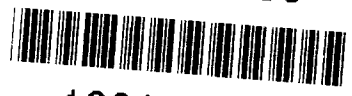


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RE 1

J.S. DEPARTMENT OF COMMERCE U.S. Patent and Trademark Office

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

1. Name of conveying party(ies): BORDERWARE TECHNOLOGIES INC. Individual(s) Association General Partnership Limited Partnership Corporation-State Other Additional name(s) of conveying party(ies) attached? Yes No

2. Name and address of receiving party(ies) Name: Venture Lending & Leasing IV, Inc. Internal Address: Street Address: 2010 North First Street City: San Jose State: CA Zip: 95131 Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Maryland 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: 10/28/05

4. Application number(s) or registration number(s): A. Trademark Application No.(s) 78/691,766; 78/411,233 B. Trademark Registration No.(s) 2,019,834; Additional number(s) attached Yes No

5. Name and address of party to whom correspondence concerning document should be mailed: Name: Russell D. Pollock, Esq. Internal Address: Street Address: Greene Radovsky Maloney & Share LLP Four Embarcadero Center, Suite 4000 City: San Francisco State: CA Zip: 94111

6. Total number of applications and registrations involved: 3 7. Total fee (37 CFR 3.41) \$ 90.00 Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature. Jeffrey T. Klugman Name of Person Signing Signature Date 11/7/05 Total number of pages including cover sheet, attachments, and document: 17

OFFICE OF THE COMMISSIONER OF PATENT AND TRADEMARKS NOV 16 AM 7 54 FINANCE SECTION

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

11/18/2005 ECOMPER 00000188 78691766

01 FC:8521 02 FC:8522

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TRADEMARK REEL: 003255 FRAME: 0867

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of October 28, 2005, by and between BORDERWARE TECHNOLOGIES INC., a corporation incorporated under the Canada Business Corporations Act ("Grantor"), and VENTURE LENDING & LEASING IV, INC., a Maryland corporation ("Secured Party").

RECITALS

A. Pursuant to a Loan and Security Agreement of even date herewith (the "Loan Agreement") between Grantor, as borrower, and Secured Party, as lender, Secured Party 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 the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party the Loan Agreement granting a security interest in all Collateral, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE 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 Obligations, Grantor hereby grants a security interest and mortgage to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, any State thereof or of any other country; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of, or rights corresponding thereto in, the United States or any other country, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States or any other country, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of

the United States, any State thereof or any other country or any political subdivision thereof, and reissues, extensions or renewals thereof, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(d) Any and all claims for damages by way of past, present and future infringement 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;

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

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

(g) 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. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for Permitted Liens;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for Permitted Liens;

(c) To its knowledge, each of the Patents is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(d) **Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter in which there is a change or update to the reported contents from the previous fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material 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 not specified in this Agreement;**

(e) Grantor shall use reasonable commercial efforts to (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights, and (ii) not allow any material Trademarks, Patents or Copyrights to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which consent shall not be unreasonably withheld;

(f) Grantor shall apply for registration (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; and (ii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), except with respect to such rights that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests. Grantor shall, from time to time, execute and file such

other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall give Secured Party notice of all such applications or registrations; and

(g) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts.

3. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will 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 Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibits A, B and C, hereof, as appropriate, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law, and (iii) after the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

4. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) An Event of Default under the Loan Agreement; or

(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the sooner to occur of Grantor's receipt of notice of such breach from Secured Party or the date on which such breach first becomes known to Grantor.

5. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto, except for amendments permitted under Section 3 hereof to be made by Secured Party alone.

6. Counterparts. 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.

Remainder of this page intentionally left blank; signature page follows

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

GRANTOR:

Address of Grantor:

Suite 502
50 Burnhamthorpe Road West
Mississauga
Ontario
L5B 3C2
Attn: Wilson Lee

BORDERWARE TECHNOLOGIES INC.

By:  _____

Name: Wilson Lee

Its: Chief Financial Officer

SECURED PARTY:

Address of Secured Party:

2010 North First Street, Suite 310
San Jose, CA 95131
Attn: Chief Financial Officer

VENTURE LENDING & LEASING IV, INC.

By: _____

Name: _____

Its: _____

IN WITNESS WHEREOF, the parties have executed this Supplement as of the date first above

written.

BORROWER:

BORDERWARE TECHNOLOGIES INC.


By: _____
Name: Wilson Lee
Title: CFO

Address for Notices:

Suite 502, 50 Burnhamthorpe Road West, Mississauga,
Ontario, L5B 3C2
Attn: Wilson Lee
Fax # 905 8041865
Phone # 905 8041855

LENDER:

VENTURE LENDING & LEASING IV, INC.

By: 
Name: Ronald W. Swenson
Title: Chief Executive Officer

Address for Notices:

2010 North First Street, Suite 310
San Jose, California 95131
Attn: Chief Financial Officer
Fax # 408-436-8625
Phone # 408-436-8577

EXHIBIT A

Unregistered Copyrights

Source code for the following Borderware products:

- Firewall Server
- Document Gateway
- Mail Gateway
- MXtreme Mail Firewall

Source code for S-Core development toolkit

Software development tools for the above products

Internal documentation tools for the above products and toolkits

Documents related to the EAL4 certification

Customer database and technical support database

EXHIBIT B

Patents

<u>Description</u>	<u>Registration/ Application Number</u>	<u>Registration/ Application Date</u>
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<i>METHOD AND APPARATUS FOR USING SENDER IDENTITY TO CONTROL UNSOLICITED MESSAGING IN REAL TIME MESSAGING NETWORKS</i>	11/066,660	December 24, 2003
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ABSTRACT: The addresses of sensor nodes are distributed across network sites in such a way that they will be collected by individuals intend on using real time messaging facilities for mass unsolicited advertising or other types of mass communications campaigns. All real time communications transacted with these sensor nodes are unsolicited and if the communications are part of a mass communication campaign, the same or very similar messaging, possibly from the same transmission source, can be expected to show up addressed to legitimate users of the real time messaging communications system. Filtering rules are derived from the transmission characteristics (such as the source address) and messaging content of the traffic encountered at the sensor nodes and distributed to filtering agents that are positioned in the communications network in such a way that they can filter traffic for legitimate users. The filtering agents suppress, divert, label (such as displaying to the user "SPAM" or words in the subject) or otherwise filter real time messaging traffic that is part of a mass communication campaign on behalf of legitimate users of the real time messaging communication system.

<i>METHOD AND APPARATUS FOR USING SENDER IDENTITY TO CONTROL UNSOLICITED MESSAGING IN REAL TIME MESSAGING NETWORKS</i>	11/019/092	February 25, 2004
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ABSTRACT: A Voice over IP (VOIP) or Real Time Messaging (RTM) firewall device is claimed that protects VOIP or RTM network traffic by identifying and controlling the delivery of such network traffic that is unsolicited and undesired by the recipient (i.e. VOIP or RTM spam). The system involves apply a unique marking to RTM messages close to a point of message origination and then at a point close to message termination for the intended recipient examining a reputation store for information on the unique marking and using that information in conjunction with a set of policy rules to decide whether to pass, reject, pass on to an RTM store or otherwise filter the RTM message. The unique marking serves to identify a source characteristic of the message such as the message originator, a corporate affiliation for the originator, or a RTM network characteristic of the originator such as a transmission gateway.

Provisional Application Filed:

ABSTRACT: A method of "stateful failover" is claimed that allows email gateway systems in a cluster to deliver email messages that have been accepted for delivery by a member of the cluster that has failed without delivering the messages. The method involves mirroring the messages that have been accepted for delivery by one email gateway system in the stateful failover cluster on one or more other email gateway systems in the stateful failover cluster and on detection of the failure of the email gateway system that accepted the message, another member of the stateful failover cluster that has access to the mirrored message queue takes responsibility for the delivery of the messages on the mirrored queue

EXHIBIT C

Trademarks

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
BORDERGUARD	Canada	TMA 460,526	July 26, 1996	Wares (1) Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERGUARD	Germany	39534020.9	Sept 2, 1996	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERGUARD	Japan	3364918	Dec 5, 1997	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERGUARD	UK	2,030,819	Mar 22, 1996	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERPATROL	Canada	884,747	July 20, 1998	Wares (1) Computer software that monitors and reports on computer network security. Services (1) The business	Default – Searched

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				of using computer software to monitor and report on computer network security.	
BORDERPATROL	USA	75/623,911	Jan 20, 1999	IC 009. US 021 023 026 036 038. G & S: COMPUTER SOFTWARE WHICH PERFORMS A SET OF TESTS OF A TARGET COMPUTER SYSTEM, AND IDENTIFIES POTENTIAL NETWORK SECURITY VULNERABILITIES IN THE FIELD OF COMPUTER NETWORK SECURITY IC 042. US 100 101. G & S: COMPUTER SERVICES NAMELY MONITORING OF AND REPORTING ON COMPUTER NETWORK SECURITY	Suspended
BORDERPOST	Canada	1,015,761	May 17, 1999	(1) Computer software used to read electronic mail in a secure manner over the Internet.	Abandoned
BORDERPOST	USA	75/849,944	Nov 16, 1999	IC 009. US 021 023 026 036 038. G & S: computer software used to read electronic mail in a secure manner over a global computer network.	Abandoned
BORDERWARE	Canada	TMA 460,525	July 26, 1999	Wares (1) Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERWARE	Germany	39620543.7	Sept 11, 2000	Application software programs and operating systems for computer	Registered

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				networks for securing a computer network, authenticating computer network users, and for providing application services.	
BORDERWARE	Japan	3364867	Dec 5, 1997	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERWARE	Korea, Republic of	375446	Sept 23, 1997	Tape loaded with application software program and operating systems for computer networks for securing a computer network	Registered
BORDERWARE	Korea, Republic of	96-2929	Mar 18, 1996	n/a	Abandoned
BORDERWARE	Malaysia	95-12565	Nov 24, 1998	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERWARE	Malaysia	95-12566	Nov 24, 1998	n/a	Abandoned
BORDERWARE	Taiwan	739855	Dec 15, 1996	Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERWARE	UK	2,029,928	Oct 11, 1996	Application software programs and operating systems for computer networks for securing a	Registered

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				computer network, authenticating computer network users, and for providing application services.	
BORDERWARE	USA	2,019,834	Nov 26, 1996	IC 009. US 021 023 026 036 038. G & S: application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
BORDERWARE FIREWALL SERVER	Canada	TMA 460,296	July 19, 1996	Wares (1) Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
FIREWALL -SERVER	Canada	TMA 460,297	July 19, 1996	Wares (1) Application software programs and operating systems for computer networks for securing a computer network, authenticating computer network users, and for providing application services.	Registered
MXTREME	Canada	TMA 606,552	Mar 29, 2004	Wares (1) Computer hardware and software that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	Registered
MXTREME	China	3,368,180	Nov 13, 2002	Computer hardware and software that provides electronic mail security by	Pending

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	
MXTREME	EU	002896405	Oct 18, 2002	Computer hardware and software that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	Published
MXTREME	Australia	931450	Oct 21, 2002	Computer hardware and software that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	Pending
MXTREME	Japan	n/a	June 6, 2003	Computer hardware and software that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	Registered
MXTREME	USA	78/193,414	Dec 11, 2002	Computer hardware and software that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications.	Suspended
MXTREME INFINITY & Infinity Design	USA	78691766.	Jul 15, 2005	IC 009. US 021 023 026 036 038. G & S: Computer hardware and software that provides electronic mail security by scanning, filtering, identifying,	Filed

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				<p>authenticating, authorizing and otherwise processing and managing electronic mail communications.</p> <p>International Class 042: Support services for software and hardware that provides electronic mail security by scanning, filtering, identifying, authenticating, authorizing and otherwise processing and managing electronic mail communications</p>	
NAMEVAULT	Canada	1208928	Mar 3, 2004	1) Computer equipment with pre-installed computer software that provides secure enterprise domain name services, namely translation of alpha-numeric domain, worldwide web and network addresses to numeric IP addresses.	Approved
NAMEVAULT	USA	78411233	Apr 30, 2004	IC 009. US 021 023 026 036 038. G & S: computer equipment with pre-installed computer software that provides secure enterprise domain name services, namely translation of alpha-numeric domain, worldwide web and network addresses to numeric internet protocol addresses; computer software that provides secure enterprise domain name services, namely translation of alpha-numeric domain, worldwide web and network addresses to numeric internet protocol addresses. FIRST USE: 20031106. FIRST USE IN	Pending

Mark	Country	Appl'n/ Reg'n No.	Appl'n/ Reg'n Date	Description	Status
				COMMERCE: 20040229	
NAMEVAULT	Australia	995972	March 31, 2004	Class: 9 Computer equipment with pre-installed computer software that provides secure enterprise domain name services, namely translation of alpha-numeric domain, worldwide web and network addresses to numeric IP addresses	Registered – July 1, 2001
NAMEVAULT	Japan	4800123	September 3, 2004	Class: 9 Computer equipment with pre-installed computer software that provides secure enterprise domain name services, namely translation of alpha-numeric domain, worldwide web and network addresses to numeric IP addresses	Registered
STEELGATE	Canada	1,224,472	July 16, 2004	Wares (1) Computer equipment with pre-installed computer software that provides network security services and virtual private network (VPN) services.	Formalized
STEELGATE	EU	E- 00024919-V	August 12, 2004	International Class 9 – filed under the International Convention with a priority date of July 16, 2004	Filed
STEELGATE	Australia	1,016,327	August 17, 2004	International Class 9 – filed under the International Convention with a priority date of July 16, 2004	Published September 24, 2004
STEELGATE	Japan	2004- 075206	August 13, 2004	International Class 9– filed under the International Convention with a priority date of July 16, 2004	Filed
STEELGATE	New Zealand	1224472	August 17, 2004	International Class 9– filed under the International Convention with a priority date of July 16, 2004	Filed

Unregistered Trademark List

SIPASSURE
THE BENCHMARK FOR MESSAGING SECURITY

45596/0937
JTK/293134.3

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RECORDED: 11/16/2005

**TRADEMARK
REEL: 003255 FRAME: 0883**