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PATENTS ONLY

Form PTO-1594
(Rev. 03/01)
OMB No. 0651-0027 (exp. 5/31/2002)

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

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

1. Name of conveying party(ies):

VERICEPT CORPORATION

- 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: 9/11/06

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing IV, Inc.

Internal Address: _____
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

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

A. Trademark Application No.(s) _____

B. Trademark Registration No.(s) 2,714,702; 2,745,074

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: 2

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

- Enclosed
- Authorized to be charged to deposit account

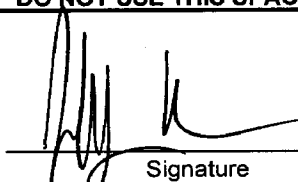
8. Deposit account number: _____

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FINANCE SECTION

DO NOT USE THIS SPACE

9. Signature.

Jeffrey T. Klugman
Name of Person Signing


Signature

10/5/06
Date

Total number of pages including cover sheet, attachments, and document: 16

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

10/11/2006 MJAMA1 00000002 2714702

01 FC:0521
02 FC:0522

40.00 OP
25.00 OP

TRADEMARK
REEL: 003408 FRAME: 0402

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of September 11, 2006 by and between VERICEPT CORPORATION, a Delaware corporation ("Grantor"), and VENTURE LENDING & LEASING IV, INC., a Maryland corporation, in its capacity as agent for itself and Silicon Valley Bank under the Loan Agreement (hereinafter defined) ("Secured Party").

RECITALS

A. Pursuant to a Loan and Security Agreement and Supplement of even date herewith (together, the "Loan Agreement") among Grantor, as borrower, and Secured Party, as agent for itself and Silicon Valley Bank as lenders ("Lenders"), Lenders have 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. Lenders are willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Lenders and Secured Party for the benefit of Lenders 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 Lenders 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 to Secured Party 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, and 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.

Notwithstanding the foregoing, the term "Collateral" as used in this Agreement shall not include any contracts, property rights or licenses to the extent that the grant of a security interest therein, or an assignment thereof, would be contrary to applicable law.

2. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of the Collateral, except for exclusive or non-exclusive licenses or sublicenses granted by Grantor in the ordinary course of business consistent with industry practice;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for licenses or sublicenses granted by Grantor in the ordinary course of business consistent with industry practice or as otherwise permitted in the Loan Agreement;

(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, (ii) detect infringements of the Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected, and (iii) 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, in each case, 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, subject to any prior licenses, encumbrances, restrictions and Permitted Liens, 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 deems necessary or advisable solely (i) to modify Exhibits A, B and C, hereof, as appropriate, of this Agreement without first obtaining Grantor's approval of or signature to such modification 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) only after the occurrence and during the continuance 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.

(c) Secured Party agrees that it shall release its Lien on the Collateral (as such term is defined herein) on the terms and conditions set forth in the Supplement and to execute and deliver, at Grantor's sole cost and expense, all documents and instruments necessary to effectuate such release.

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 to Exhibits A, B, and C as 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:

555 17th Street, Suite 1500
Denver, CO 80202
Attn: Chief Financial Officer

VERICEPT CORPORATION

By: *Connel Sattman*
Name: *CONNEL SATTMAN*
Its: *CFO*

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 hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

VERICEPT CORPORATION

555 17th Street, Suite 1500
Denver, CO 80202
Attn: Chief Financial Officer

By: _____

Name: _____

Its: _____

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING IV, INC.

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

By:  _____

Name: Ronald W. Swenson

Its: Chief Executive Officer

EXHIBIT A

Copyrights

Description

Registration Number

Registration Date

EXHIBIT A

Vericept Copyrights

Title of Work	Nature of Authorship	Registration Date	Copyright Status	Registration Number
Vericept View, Version 5.1	Computer Program	10/28/2003	Registered	TX 5-867-507
Vericept View Filter, Version 1.2.1 (previous titles: Vericept Passive Blocker)	Computer Program	10/28/2003	Registered	TX 5-867-506
VIEW Solutions Installation Guide	Computer Program	2/11/2004	Registered	TX 5-923-042
VIEW Solutions System Administration (previous titles: Vericept System Administration / eSniff User Guide)	Computer Program	2/11/2004	Registered	TX 5-923-043
View Solutions Reports (previous titles: Vericept eBoundaries & Reports / Managing Your Acceptable Use Policy with Vericept, eSniff User Guide)	Computer Program	2/11/2004	Registered	TX 5-805-010
VIEW Solutions Event Policies (previous titles: VIEW Solutions Categories / Vericept eBoundaries / Vericept eBoundaries & Reports / eSniff User Guide)	Computer Program	2/11/2004	Registered	TX 5-805-011
VIEW Quick Start Installation - Software Only (previous titles: VIEW Quick Start Installation)	Computer Program	2/11/2004	Registered	TX 5-805-008
VIEW Solutions User Administration (previous titles: Vericept User Administration Guide / eSniff User Guide)	Computer Program	2/11/2004	Registered	TX 5-805-012
VIEW Quick Reference (previous titles: VIEW 6.0 Reports Quick Reference)	Computer Program	2/11/2004	Registered	TX 5-805-009
VIEW Quick Start Installation - Pre-loaded Hardware (previous titles: VIEW Quick Start Installation)	Computer Program	2/11/2004	Registered	TX 5-805-007
Vericept Solutions Stored Data Analyzer	Computer Program	6/3/2005	Registered	TX 6-207-413
Vericept Quick Reference (previous titles: VIEW Quick Reference / VIEW 6.0 Reports Quick Reference)	Computer Program	6/3/2005	Registered	TX 6-204-843

EXHIBIT A

Vericept Copyrights

Title of Work	Nature of Authorship	Registration Date	Copyright Status	Registration Number
Vericept Filter: Installation Guide	Computer Program	6/3/2005	Registered	TX 6-208-209
Vericept Quick Start Installation for a pre loaded appliance (previous titles: VIEW Quick Start Installation - Pre loaded Hardware: VIEW Quick Start Installation)	Computer Program	6/3/2005	Registered	TX 6-117-230
Vericept Quick Installation Software Only (previous titles: VIEW Quick Start Installation - Software Only)	Computer Program	6/3/2005	Registered	TX 6-117-229
Vericept Solutions Installation and Setup Guide (previous titles: VIEW Solutions Installation Guide / Vericept Installation Guide / eSniff Installation Guide)	Computer Program	6/3/2005	Registered	TX 6-117-235
Vericept 7.1 Platform (previous titles: Vericept View Version 5.1 eSniff V1100)	Computer Program	6/7/2005	Registered	TX 6-190-279

Note: Each of the five colored "titles" (blue, red, pink, green and purple each tie to a "previous title" of like color. Each colored "title" represents a copyrighted title that was later copyrighted as a different title.

EXHIBIT B

Patents

Description

Registration/Serial Number

Registration/Application Date

PENDING U.S. PATENT APPLICATIONS

Vericept Corporation

Docket No.	Patent Application	Assignee	Serial No.	Filing Date	Reference No.	Inventor	Action Required
BWB-0301	COMPUTER NETWORK POLICY COMPLIANCE MEASUREMENT, MONITORING AND ENFORCEMENT SYSTEM AND METHOD		10/339,153	1/8/2003	21738.0010	Shaun McNERNEY	11/2/2005 No IDS will be filed.
BWB-0302	SYSTEM AND METHOD FOR DECENTRALIZED SYSTEM AND NETWORK PERFORMANCE ASSESSMENT AND VERIFICATION		10/348,157	1/21/2003	21738.0008	Shaun McNERNEY	11/2/2005 No IDS will be filed.
BWB-0303	SYSTEM AND METHOD FOR REFLECTIVE SYSTEM AND NETWORK PERFORMANCE ASSESSMENT AND VERIFICATION		10/358,666	2/5/2003	21738.0009	Shaun McNERNEY	11/2/2005 No IDS will be filed.
BWB-0304	TRUSTED NETWORK ACCESS CONTROL SYSTEM AND METHOD		10/741,138	12/19/2003	21738.0007	Shaun McNERNEY	11/2/2005 No IDS will be filed.
VERC-001	EMPLOYEE INTERNET MANAGEMENT DEVICE	VERC	09/759,089	1/11/2001	21738.0002.001	Thomas P. DONAHUE	7/5/2006 Response to 1st office action 8/5/2006 Response first OA - 1st extens

PENDING U.S. PATENT APPLICATIONS

Vericept Corporation

Docket No.	Patent Application	Assignee	Serial No.	Filing Date	Reference No.	Inventor	Action Required
VERC-002	METHOD AND APPARATUS FOR PREDICTIVE AND ACTUAL INTRUSION DETECTION ON A NETWORK	VERC	10/838,863	5/4/2004	21738.0003	Derek GASSEN, et al.	7/6/2006 Anticipated publication date.
VERC-003	APPARATUS AND METHOD FOR LINGUISTIC SCORING	VERC	10/748,677	12/31/2003	21738.0004	Charles PHILLIPS, et al.	7/7/2005 Application published.
VERC-004	SOURCE LEVEL OPTIMIZATION OF REGULAR EXPRESSIONS	VERC	11/297,865	12/9/2005	21738.0006.001	Charles PHILLIPS	2/8/2006 IDS filed.
VERC-005	SYSTEMS AND METHODS FOR NETWORK USER RESOLUTION	VERC	10/985,276	10/14/2004	21738.0005.001	Bruce CHITTENDEN, et al.	4/28/2005 Application published.

EXHIBIT C

Trademarks

Description

Registration/Application Number

Registration/Application Date

EXHIBIT C

Vericept Trademarks

Mark	Reg. No.	Class	Owner	Reg. Date	Renewal Date	Term
DEFINE YOUR BOUNDARIES [European Union (CTM)] "Record merger document to reflect change in ownership" - never done	1880160	9	eSniff.com, Inc.	21-Jan-02	1/21/2012 ?	10 years ?
DEFINE YOUR BOUNDARIES (United States)	N/A	9	N/A	N/A	Abandoned 8/26/02 (failure to respond to Office Action)	N/A
ESNIFF [European Union (CTM)] "Record merger document to reflect change in ownership" - never done	N/A (Application only) Published 6/18/01	9	eSniff.com, Inc.	N/A	N/A	N/A
ESNIFF (United States)	N/A	9	N/A	N/A	Withdrawn (Express Withdrawal) Filed 11/15/02	N/A
The Mark consists of a stylized "v" (United States)	2,714,702	9 (U.S. Cls. 21, 23, 26, 36 & 38)	Vericept Corporation	6-May-03	6-May-13	10 years
The Mark consists of a stylized "V" with VERICEPT printed below (United States)	2,745,074	9 (U.S. Cls. 21, 23, 26, 36 & 38)	Vericept Corporation	29-Jul-03	29-Jul-13	10 years
JUST DONT DO IT AT WORK (Chilean Trademark)	592,209	38	eSniff.com, Inc.	14-Mar-01	14-Mar-11	10 years
JUST DONT DO IT AT WORK (Chilean Trademark)	592,210	9	eSniff.com, Inc.	14-Mar-01	14-Mar-11	10 years

Vericept Trademarks

Mark	Reg. No.	Class	Owner	Reg. Date	Renewal Date	Term
JUST DON'T DO IT AT WORK [European Union (CTM)] "Record merger document to reflect change in ownership" -	188,004	9	eSniff.com, Inc.	21-Jan-02	1/21/2012 ?	10 years ?
JUST DON'T DO IT AT WORK (United States)	N/A	9	N/A	N/A	Abandoned per K.Gravens (12/11/01)	N/A
JUST DON'T DO IT AT WORK (Chilean Trademark)	592,210	9	eSniff.com, Inc.	14-Mar-01	14-Mar-11	10 years