

11-05-1999

EET

U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office



101189412

Tab settings → → → ▼

To the Honorable Commissioner of Patents and Trademarks, U.S. Department of Commerce, Washington, D.C. 20503

or by facsimile transmission of the attached original documents or copy thereof.

## 1. Name of conveying party(ies):

Michael E. Adams

Additional names(s) of conveying party(ies)

☐ Yes ☒ No

## 3. Nature of conveyance:

☐ Assignment☐ Merger☒ Security Agreement☐ Change of Name☐ Other

Execution Date: November 2, 1999

## 2. Name and address of receiving party(ies):

Name: StrongArm Products, L.L.C.

Address: 101 Thorn Tree Lane

City: Winnetka State/Prov.: IL

Country: USA ZIP: 60093

Additional name(s) &amp; address(es)

☒ Yes ☐ No

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

If this document is being filed together with a new application, the execution date of the application is: N/A

Patent Application No.

Filing date

B. Patent No.(s)

350,835

July 9, 1999

5,156,429

Additional numbers

☐ Yes ☒ No

## 5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Federal Research Corp

Registration No.

Address: 400 Seventh St NW

Suite 101

City: Washington State/Prov.: DC

Country: ZIP: 20004

## 6. Total number of applications and patents involved: -2-

7. Total fee (37 CFR 3.41): \$ 80.00

☒ Enclosed - Any excess or insufficiency should be credited or debited to deposit account☐ Authorized to be charged to deposit account

## 8. Deposit account number:

11/08/1999 DNGUYEN 0000011A 350835

01 FC:581

(80.00 OF)

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.

Michael E. Adams

Name of Person Signing

Signature

November 2, 1999

Date

PATENT

REEL: 010351 FRAME: 0627

## **SECURITY AGREEMENT**

**THIS SECURITY AGREEMENT** made and entered into this 2<sup>nd</sup> day of November, 1999 by and between **MICHAEL E. ADAMS**, an individual, residing at 2009 Walters, Northbrook, Illinois 60062 ("Adams" or "Debtor"), and **STRONGARM PRODUCTS, L.L.C.**, a Delaware limited liability company, having its principal place of business at 101 Thorn Tree Lane, Winnetka, Illinois 60093 ("SAP" or "Secured Party").

### **WITNESSETH**

**WHEREAS**, Adams is the sole and exclusive owner of and is possessed of all right, title and interest in and to United States Patent No. 5,156,429 (hereafter referred to as "The Utility Patent");

**WHEREAS**, Adams is the sole and exclusive inventor of new devices referred to between the parties as Two New Style Cane Bases and Two New Flip-Style Brackets (hereafter referred to as "The Proposed Patentable New Devices") for which patent applications have been or will be filed with the United States Patent and Trademark Office; one such application having been filed on July 9, 1999 as U.S. Patent Application Serial No. 350,835;

**WHEREAS**, Adams and SAP have entered into an Exclusive License Agreement dated November 1, 1999, (hereafter referred to as the "ELA") granting SAP an irrevocable, limited, exclusive license to use, manufacture, distribute, advertise and sell products embraced by U.S. Patent No. 5,156,429 (referred to

hereafter as "The Products"), the products comprising The Proposed New Patentable Devices, (including products embraced by U.S. Patent Application Serial No. 350,835) and products embraced by any and all patents which result from or are related to patent applications for The Proposed Patentable New Devices, and related Intellectual Property Rights, for the specific uses and purposes set forth in the ELA;

**WHEREAS**, pursuant to the terms of the ELA, Adams has executed a promissory note dated November 1, 1999 in favor of SAP in the principal sum of Fifteen Thousand Dollars (\$15,000) and Adams has also made other promises and incurred other obligations to and for SAP's benefit pursuant to the ELA's terms ("the Obligations");

**WHEREAS**, Adams desires to grant SAP, for SAP's benefit, a security interest in, as and by way of a first mortgage and security interest having priority over all other security interests, with the power of sale, to the extent permitted by law, upon the occurrence of Adams' default of the Obligations, all of Adams' entire right, title and interest in and to United States Patent No. 5,156,429 and any and all patents which result from or are related to patent applications for The Proposed New Patentable Devices and any and all continuing, divisional and/or improvement patents which may, at any time, exist thereon, together with all income, royalties, damages, payments and other proceeds now and/or hereafter due and/or arising from and/or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof, and

all rights corresponding thereto throughout the world, only for use of same in connection with Fishing Products and for use as Fishing or Fish Nets and Mobility Aid Devices, hereinafter collectively referred to as the "Patent Rights," to secure Adams' payment, performance and observance of all of his Obligations due and owing unto SAP.

**NOW, THEREFORE**, for good valuable consideration, the receipt of which is hereby acknowledged, Adams does hereby agree as follows:

1. **INCORPORATION, DEFINITION AND TERMS.** The foregoing provisions of the Preamble are adopted and incorporated by reference as if they were fully set forth herein. Except as otherwise defined in this Agreement or the ELA, all words, terms and/or phrases used herein shall be defined by the applicable definition therefore (if any) in the Uniform Commercial Code of the State of Illinois.

2. **GRANT OF SECURITY INTEREST.** To secure SAP's rights to Debtor's prompt payment, performance and observance of its ELA Obligations, Debtor grants to SAP a security interest and first mortgage in and first and prior lien upon the following property, now existing and/or owned and hereafter arising and/or acquired and the proceeds of that property (all of which are collectively "the Collateral"), some of which is located at 2009 Walters, Northbrook, IL 60062:

- a. The Debtor's right, title and interest in and for use of U.S. Patent No. 5,156,429, including any divisional, continuation or substitute U.S. patents subsequently issued and all goodwill and Patent Rights relating thereto limited to use in the Fishing

Industry, as Fishing or Fish Nets, or as Mobility Aid Devices;  
and

- b. The Debtor's right, title and interest in and for use of any U.S. or foreign patent rights which may now or hereafter arise or be issued by the U.S. Patent and Trademark Office or other agency for StrongArm™ canes, including ROCKER Foot and The 4 Seasons ROCKER, and StrongArm™ Fishing Nets, including the FlipBracket, and StrongArm™ Fishing Products (including U.S. Patent Applications Serial No. 350,835 filed July 9, 1999) and any other products which are licensed by Debtor to Secured Party and all goodwill and Patent Rights associated with the foregoing rights and products, limited to the use of the foregoing in the Fishing Industry, as Fishing or Fish Nets or as Mobility Aid Devices; and
- c. All of Debtor's right, title, and interest in claims, actions, causes of action or lawsuits against any person or entity for past or future infringement of any of the Patent Rights licensed by Debtor under the ELA, including U.S. Patent No. 5,156,429, any U.S. or foreign patent rights arising out of U.S. Patent Application No. 350,835 filed July 9, 1999, and any U.S. or foreign patents rights subsequently issued to Debtor for the Proposed Patentable New Devices, limited to infringement suits

which relate in any way to Patent Rights for The Products and The Proposed Patentable New Devices for uses in the Fishing Industry, as Fishing or Fish Nets, and as Mobility Aid Devices; and

- d. Debtor's rights under the ELA, including, but not limited to Debtor's right, title and interest to Royalties, now or hereafter due to Debtor from Secured Party, for the license of its Patent Rights and related intellectual property rights and goodwill to Secured Party under the ELA; and
- e. Debtor's goodwill in U.S. Patent No. 5,156,429 and in all expected U.S. and foreign patent rights relating to any patent applications for the Proposed Patentable New Devices (including U.S. Patent Application Serial No. 350,835 filed July 9, 1999), limited to goodwill related to use in the Fishing Industry, as Fishing or Fish Nets, and as Mobility Aid Devices; and
- f. All of the Debtor's intangible copyright and trademark rights, including the goodwill associated with those rights, licensed to Secured Party under the ELA for use in the Fishing Industry, as Fishing or Fish Nets, or as Mobility Aid Devices; and
- g. The Debtor's right, title and interest in and for use of copyrights, trademarks, trade dress rights, rights of publicity

to the works, designs and embodiments, goodwill and all other tangible and intangible rights (including any rights of distribution and sale) and rights to brand names, model names, product names, terms of art, slogans, and descriptive phrases used in connection with any of the Products or The Proposed Patentable New Devices for use in the Fishing Industry, as Fishing or Fish Nets or as Mobility Aid devices; and

- h. Debtor's right, title and interest in and to any Intellectual Property Rights related to use in the Fishing Industry, as Fishing Nets, and as Mobility Aid Devices in The Utility Patent, The Proposed Patentable New Devices, and the Products under the United States Copyright Act, 17 U.S.C. §101 et seq., the United States Trademark Act, 15 U.S.C. §1051, et seq., the United States Patent Act, 35 U.S.C. §100, et seq., and any applicable Trade Secrets Act (collectively "The Intellectual Property Rights"); and
- i. Any and all logos, designs, drawings, artwork, packaging, "trade dress" or "trade style" created by or for Debtor for the purpose of marketing, advertising, distributing or selling any of the Products or The Proposed Patentable New Devices and The Intellectual Property Rights in foreign countries as used in

the Fishing Industry or as Fishing or Fish Nets or Mobility Aid Devices; and

j. All of Debtor's now existing or hereafter arising or acquired interest in accounts, chattel paper, contract rights, orders, purchase orders, contracts, contract rights, instruments, documents, inventory, raw materials, work in progress, finished merchandise, supplies, goods, packaging materials, deposits, cash, cash equivalents, rights to payment, books, records, computer records, ledger cards, programs, invoices, orders and customer and supplier lists and other property and general intangibles at any time evidencing or relating to the advertising, marketing, manufacturing, sales and/or distribution of The Products, The Proposed Patentable New Devices, or The Intellectual Property relating to uses in the Fishing Industry, as Fishing or Fish Nets, and as Mobility Aid Devices, and

k. All of Debtor's right, title and interest in any other Licenses, sublicenses, contracts or agreements for the marketing, use, manufacture, distribution or sale of The Products, The Proposed Patentable New Devices or The Intellectual Property Rights for use in The Fishing Industry, or Fishing or Fish Nets or as Mobility Aid Devices; and

1. All products and proceeds and substitutions and renewals and improvements and replacements of and additions to any of the foregoing.

It is the intent of the parties that the Collateral described in subparagraphs 2(a), (b), (e), (f), (g), (h), (i), (j) and (k) be specifically limited to Debtor's rights, title and interest in such property only for use of the Collateral in the Fishing Industry generally, as Fishing or Fish Nets, or as Mobility Aid Devices. The parties do not intend for the Debtor to grant a security interest in or lien upon the Debtor's rights, title and interest in such property listed in subparagraphs 2(a-b and e-k) for any other purpose or uses.

3. **SECURED PARTY RIGHTS ON DEFAULT.** If the Obligations due SAP under the ELA or this Security Agreement are breached and not paid or observed promptly when due, or if Adams materially breaches any agreement, covenant, warranty or provision contained herein or in the ELA, and if Adams does not cure any breach of the ELA during the time period permitted therein or any breach of this Agreement, Adams shall be in default hereunder and the Obligations herein described and all other obligations then owing by Adams to SAP shall, at the option of SAP, become immediately due and payable. Upon the default of Adams, SAP shall have all the rights and remedies of a secured party under the Uniform Commercial Code and any other state or federal laws. SAP will give Adams reasonable notice of the time and place of any public sale or the time after which any private sale or any other intended disposition thereof is to be made. Unless

otherwise provided by law, the requirement of reasonable notice shall be met if such notice is mailed, postage prepaid to the last known address of Adams at least ten (10) days before the date of such sale or disposition.

4. **FURTHER DOCUMENTATION.** Adams agrees to execute and deliver to SAP any further documentation or papers reasonably necessary in the reasonable discretion of Secured Party's counsel to carry out the intent, purpose or recordation of this Security Agreement including, but not limited to, financing statements required for filing under the Uniform Commercial Code and documents to be filed with the U.S. Patent and Trademark Office.

5. **WARRANTIES, REPRESENTATIONS, AND COVENANTS.** Debtor warrants and represents to and covenants with Secured Party that: (a) Debtor has the right, power and capacity and is and will be duly authorized and empowered to enter into, execute, deliver and perform this Agreement; and (b) the execution, delivery and/or performance by Debtor of this Agreement shall not, and will not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or a breach of any provision contained in any document, or contained in any agreement, instrument or document to which Debtor is now or hereafter a party or by which he is or may become bound; and (c) on reasonable request the Debtor shall notify Secured Party where the Collateral is located and if the Collateral or a substantial part thereof is moved to another address.

Furthermore, Debtor agrees that Debtor shall take all actions necessary and reasonable to protect and preserve the Collateral and the interest

of Debtor and Secured Party therein; Debtor agrees to fully cooperate with SAP so that SAP can make all necessary filings to continue the Debtor's and Secured Party's interests in the Collateral. SAP and the Debtor also agree to pursue infringement actions as required under the ELA.

Debtor shall not use the Collateral or permit its use in violation of any applicable law or regulation, or take or fail to take any action that might impair the Collateral or the interests of the Debtor and/or the Secured Party therein. Debtor shall furnish to Secured Party such information concerning the Collateral as Secured Party may reasonably request from time to time in writing directed to Debtor.

Debtor shall pay promptly, when due, all taxes and assessments imposed upon the Collateral or for its use or operation. If Debtor shall become aware at any time of any lien or encumbrance upon the Collateral not previously disclosed, Debtor shall promptly advise the Secured Party of same and shall discharge such lien or encumbrance within ten (10) days thereafter, or prior to the date upon which such lien or encumbrance or charge would become delinquent. If Debtor fails to act in accordance with this provision, Secured Party may, in its discretion, take such action as is reasonably necessary to preserve the Collateral and the parties' interest therein, and Debtor shall reimburse Secured Party for any payment made or expense incurred in doing so, and such additional payments and expenses shall become part of the Obligations hereunder, together with interest as provided herein or in the ELA.

6. **EVENTS OF DEFAULT.** Upon an event of default, Secured Party, in its sole and absolute discretion, and subject only to the provisions of the ELA, may exercise any one or more of the rights and remedies accruing to a secured party under the Uniform Commercial Code of Illinois or under Federal Patent Law and any other rights and privileges under applicable law upon default by a debtor.

As used herein, an "Event of Default" shall mean one or more of the following: (a) Debtor's failure to pay or perform, when such payment or performance is due, any of the Obligations; (b) a breach by Debtor of any material warranty or representation made by Debtor to Secured Party in the ELA or herein; and/or (c) any loss of or impairment to or of the Collateral, including, but not limited to, the making of any seizure, levy or attachment of the Collateral or any part thereof that is not cured within ten (10) days after notice to Debtor by Secured Party. If the Event of Default is not cured within the time period specified in the ELA or herein, Debtor shall be in default hereunder and the Obligations due and owing by Debtor to secured Party shall be, at the option of Secured Party, immediately due and payable. If an event of default occurs, Secured Party, in its sole and absolute discretion, and subject only to the provisions of the ELA, may exercise any one or more of the rights and remedies accruing to a secured party under the Illinois Uniform Commercial Code or Federal Patent Law and any other rights and privileges under applicable law upon debtor default.

If at any time applicable law permits Secured Party to take possession all or any part of the Collateral, or if Secured Party shall be entitled to possession

of the Collateral after sale pursuant to law, Debtor shall make the Collateral available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Secured Party shall give Debtor reasonable notice of the time and place of any public sale or the time after which any private sale or any other intended disposition of the Collateral is to be made.

7.     **NOTICES.** For all purposes hereunder, unless otherwise provided by law, notices to a party will be deemed given on the day of delivery if delivered personally to the other party, or three (3) business days after being placed in the U.S. Mail, properly addressed, Certified or Registered Mail to the other at the addresses shown below.

8.     **GENERAL.** Secured Party's failure to require, or delay in requiring, strict performance by Debtor of any provisions of this agreement shall not waive, affect or diminish any right of Secured Party thereafter to demand strict compliance and performance therewith. All remedies of Secured Party shall be cumulative and shall not limit Secured Party's available remedies under this Agreement or applicable law. This Agreement shall continue in effect until the earlier of the voluntary termination of same by the mutual agreement of the parties or the fulfillment of all of the Obligations by Debtor.

9.     **RELATIONSHIP TO EXCLUSIVE LICENSING AGREEMENT.** This Security Agreement shall be in addition to the Exclusive Licensing Agreement and shall not be deemed to limit the Exclusive Licensing Agreement or any rights that SAP has

under the Exclusive Licensing Agreement. It is further understood and agreed that the rights of SAP are cumulative and not alternative.

10. **CHOICE OF LAW.** Notwithstanding the place of execution hereof, Adams and SAP agree that the validity, interpretation and enforcement of this Security Agreement and all rights hereunder shall be governed by the laws of the State of Illinois.

11. **AMENDMENTS AND MODIFICATIONS.** This Security Agreement may not be amended, modified or changed except by means of a written instrument executed by authorized representatives of SAP and Adams.

12. **ASSIGNMENT AND SUCCESSION.** SAP shall be allowed to assign its rights and obligations hereunder, but Adams shall only have the right to assign his obligations with the written consent of SAP or its assignee as provided in the ELA. SAP's rights and obligations shall be binding on its successors, representatives and assigns. Adams' obligations hereunder shall be binding upon any permitted assigns and upon his heirs, representatives, executors, legatees and survivors.

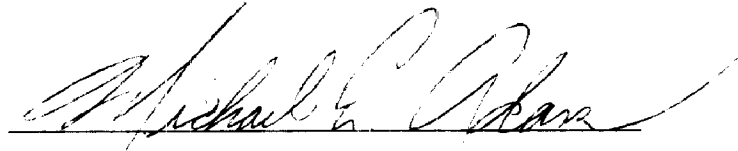
13. **ATTORNEY'S FEES AND EXPENSES.** Secured party shall be entitled to recover from Debtor any reasonable attorney's fees and litigation expenses it may incur in pursuing its rights under this Agreement if a default occurs.

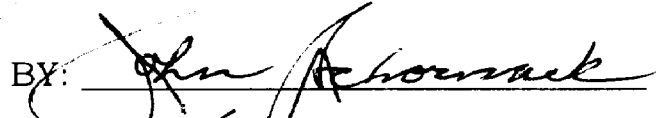
14. **SAVINGS PROVISION.** Any provision hereof contrary to, prohibited by or invalid under any laws or regulations shall be inapplicable and deemed omitted therefrom, but shall not invalidate the remaining provisions hereof.

**WITNESS**, the hand and seal of Michael E. Adams, an individual and StrongArm Products, L.L.C., a Delaware limited liability company, this 2nd day of November, 1999.

**MICHAEL E. ADAMS**

**STRONGARM PRODUCTS, L.L.C.**



BY:   
Title: Chairman

**FOR NOTICE PURPOSES, WITH A COPY TO:**

**FOR NOTICE PURPOSES, WITH A COPY TO:**

Marc D. Sherman  
7337 North Lincoln Avenue  
Suite 283  
Lincolnwood, IL 60712

William D. Brejcha  
Scopelitis, Garvin, Light & Hanson  
120 South LaSalle Street  
Suite 1700  
Chicago, IL 60603

11-01-99 Security Agreement - Version 1.wpd