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FORM PTO-1595
(Rev. 6-93)
OMB No. 0651-0011 (exp. 4/94)

02-27-2002



101994156

COVER SHEET

U.S. Department of Commerce
Patent and Trademark Office

Attorney Docket No.: 69805-0014

has been recorded the attached original documents or copy thereof.

1. Name of conveying party(ies):

BrightStreet.com, Inc.

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

2. Name and address of receiving party(ies)

Name: e-centives, Inc.

Street address: 6901 Rockledge Drive, 7th Floor
Bethesda, Maryland 20817

Additional name(s) & address(es) attached? Yes No

3. Nature of conveyance:

- Assignment Merger
- Security Agreement Change of Name
- Other _____

Execution Date: December 26, 2001

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

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

A. Patent Application No. Please see attached sheet

B. Patent No.(s) Please see attached sheet

Additional numbers attached? Yes No

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

Matthew T. Bailey
IP Group
Hogan & Hartson LLP
555 Thirteenth Street, N.W.
Washington, D.C. 20004-1104
Customer No. 24633

6. Total number of applications and patents involved: 15

7. Total fee (37 CFR 3.41) \$ 600.00

- Enclosed
- Authorized to be charged to deposit account

8. Deposit account number:

50-1349

(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.

Ajit J. Vaidya, Reg. No. 43,214
Name of Person signing

Ajit J. Vaidya
Signature

February 20, 2002
Date

Total number of pages including cover sheet, attachments and document: 19

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20023

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United States patents and patent applications assigned by Brightstreets.com, Inc. to e-centives, Inc. pursuant to the Patent License Agreement between those parties effective as of December 26, 2001 are as follows:

1. U.S. Patent No. 6,336,099
2. U.S. Patent No. 6,321,208
3. U.S. Patent Application No.: 08/425,185
4. U.S. Patent Application No.: 09/065,545
5. U.S. Patent Application No.: 09/543,735
6. U.S. Patent Application No.: 09/754,378
7. U.S. Patent Application No.: 09/451,558
8. U.S. Patent Application No.: 09/321,597
9. U.S. Patent Application No.: 09/543,763
10. U.S. Patent Application No.: 09/879,825
11. U.S. Patent Application No.: 09/543,736
12. U.S. Patent Application No.: 09/879,823
13. U.S. Patent Application No.: 09/537,793
14. U.S. Patent Application No.: 09/544,144
15. U.S. Non-Provisional Patent Application entitled, "Method and System for Electronic Distribution of Product Redemption Coupons," filed on March 7, 2001, Inventors: Craig W. Barnett; Karen R. Reisner; and Mark Braunstein.

PATENT ASSIGNMENT AGREEMENT

This Patent Assignment Agreement (this "Agreement"), made effective the 26th day of December 2001 ("Effective Date"), by and between BrightStreet.com, Inc. ("BrightStreet"), a Delaware corporation with its principal place of business at 555 Twin Dolphin Drive, 2nd Floor, Redwood Shores CA 94065, and e-centives, Inc. ("e-centives"), a Delaware corporation with a principal place of business at 6901 Rockledge Drive, 7th Floor, Bethesda, MD 20817, amends and restates that certain Patent License Agreement between BrightStreet and e-centives dated December 7, 2001 ("PLA").

WHEREAS, e-centives and BrightStreet are parties to that certain Amended and Restated Asset Purchase Agreement dated December 26, 2001 (the "Asset Purchase Agreement"), pursuant to which e-centives has purchased and/or contracted to purchase all or substantially all of the assets of BrightStreet and has assumed certain liabilities of BrightStreet pursuant to the terms thereof;

WHEREAS, in connection with the Asset Purchase Agreement, the parties entered into the PLA for the assignment of certain patents from BrightStreet to e-centives upon certain conditions, which PLA included an interim exclusive license of such patents to e-centives;

WHEREAS the parties desire to clarify the scope and nature of the PLA and amend and restate the PLA as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. CERTAIN DEFINITIONS

When used herein with initial capitalizations, whether in the singular or in the plural, the following terms shall have the following meanings:

1.1 "BrightStreet Technology" means all of BrightStreet's Technology and Intellectual Property, including without limitation the Patents.

1.2 "Business" shall mean the business and assets of e-centives acquired pursuant to the Asset Purchase Agreement, including but not limited to, the license grant set forth herein. Except as specifically provided in Section 6, the Business shall not include any other business or assets of any other business entity owned or acquired by e-centives, unless otherwise agreed in writing by BrightStreet and e-centives.

1.3 "Closing" shall have the meaning set forth in the Asset Purchase Agreement.

1.4 "Intellectual Property" shall mean (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, prepared but unfiled patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and reexaminations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and

renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, business processes, product functionality, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (f) all domain names and rights therein, (g) all other proprietary rights, and (h) all copies and tangible embodiments of any of the foregoing (in whatever form or medium).

1.5 "Patents" shall mean the inventions, issued patents and/or patent applications (whether filed or unfiled) set forth in Schedule A attached hereto, including without limitation all divisions, continuations and continuations-in-part of these patents and/or applications, all patents issuing from such applications, and all reissues, reexaminations, renewals and extensions of all such applications and/or patents. Patents do not in any event include any improvements to the Patents made, conceived, or developed by or on behalf of e-centives after the Effective Date, nor any patent applications, patents, divisions, continuations, continuations in part, reissues, reexaminations, renewals and extensions resulting therefrom, all of which are owned by e-centives.

1.6 "Process" shall mean any process or method which, but for the rights granted herein, infringes a Valid Claim contained in a Patent.

1.7 "Products" shall mean any product: (i) which, but for the rights granted herein, infringes a Valid Claim contained in a Patent; (ii) which is manufactured using a Process or used according to a method which, but for the rights granted herein, infringes a Valid Claim contained in a Patent; or (iii) which is covered by any claim being prosecuted in any pending application included within the definition of Patent.

1.8 "Services" shall mean any service, process or method which, but for the licenses granted herein, infringes a Valid Claim contained in a Patent.

1.9 "Payoff Amount" shall mean

1.10 "Patent Fees" shall mean the fees and expenses incurred by or on behalf of e-centives in connection with prosecuting and maintaining the patent applications and resulting patents included as part of Patents with the United States Patent and Trademark Office, including without limitation the fees and expenses associated with any interferences and reexaminations related thereto.

1.11 "Net Proceeds" shall mean, with respect to the Warrants (as such term is defined in the Asset Purchase Agreement), either (i) the sale price per share minus the exercise price per share times the number of shares sold, or (ii) in the case BrightStreet opts for a cashless exercise of the Warrants, the Net Proceeds shall equal the sales price per share times the number of shares sold.

1.12 "Interim Period" shall mean the period commencing on the first day of the thirteenth (13th) month following the Closing and terminating on the fourth anniversary of the Closing.

1.13 "Services Agreement" shall mean that certain Services Agreement between the parties dated September 7, 2001.

1.14 "Technology License Agreement" shall mean that certain Technology License Agreement between the parties dated September 7, 2001.

1.15 "Total BrightStreet Compensation" shall mean the sum of: (i) all cash payments to BrightStreet from e-centives or made by e-centives on behalf of BrightStreet, including the Purchase Price (as defined in the Asset Purchase Agreement, including without limitation the cash portion of the Purchase price), the Patent Fees (up to a maximum of _____), all cash advances under the Services Agreement (equal to \$ _____ as of the Effective Date), the cash derived and paid to BrightStreet from any ongoing royalty and revenue sharing arrangements described herein, the Technology License Agreement or pursuant to any of the other ancillary agreements between the parties, and any other cash paid to BrightStreet by e-centives and (ii) the Net Proceeds received by BrightStreet pursuant to the exercise of the Warrants and sale of the underlying common stock.

1.16 "Valid Claim" shall mean a claim of an issued, unexpired Patent which shall be presumed to be valid unless and until it has been held to be invalid by a final judgment of a court of competent jurisdiction from which no appeal can be or is taken.

2. TECHNOLOGY TRANSFER

Within ten (10) business days after the Effective Date, BrightStreet shall deliver to e-centives copies of all written documents in BrightStreet's possession that identify and describe the Patents, including without limitation, copies of all patents and patent applications contained therein and copies of all related patent files, which are necessary or useful for e-centives to exercise the rights granted in Sections 3 and 4.

3. GRANT OF RIGHTS

3.1 Grant of License. BrightStreet hereby grants e-centives an exclusive (subject to the existing non-exclusive licenses granted by BrightStreet to the parties set forth in Schedule B and BrightStreet's existing patent infringement protection and/or patent indemnification obligations set forth in such licenses and assignment of the Patents to e-centives as contemplated in Section 4.1), worldwide, irrevocable, perpetual, transferable, and sublicensable right and license under the Patents to make and have made, to use and have used, to sell and have sold, to offer to sell, to import and to otherwise dispose of any Products and Services.

3.2 Restrictions on License Grant. Notwithstanding anything to the contrary in Section 3.1, unless and until e-centives takes title to the Patents as set forth in Section 4.1, e-centives agrees not to grant an exclusive license to the Patents to any unaffiliated third party provided further, that any affiliated third party transferees shall be bound by all the terms and conditions of this Agreement.

3.3 Bankruptcy Provision. All rights and licenses granted to e-centives hereunder are, for purposes of Section 365(n) of the United States Bankruptcy Code (the "Bankruptcy Code"), licenses of intellectual property within the scope of Section 101 of the Bankruptcy Code. BrightStreet acknowledges that e-centives, as a licensee of such rights and licenses hereunder, will retain and may fully exercise all of its rights and elections under the Bankruptcy Code. BrightStreet further acknowledges that, without in any way limiting BrightStreet's obligations

under Section 2, e-centives will be entitled to a complete duplicate of (and complete access to) any such intellectual property and all embodiments thereof upon written request of e-centives (i) upon commencement of a bankruptcy or insolvency proceeding by or against BrightStreet, unless BrightStreet or its representative or trustee elects to continue to perform all of its obligations hereunder, or (ii) if not delivered under clause (i) of this Section, upon the rejection of this Agreement by or on behalf of BrightStreet.

3.4 License Grant Back to BrightStreet.

3.4.1 e-centives hereby grants to BrightStreet a non-exclusive, non-transferable, limited license to use the Patents and to the extent required, the Technology and Intellectual Property that are part of the Assets (as the terms Technology, Intellectual Property, and Assets are defined in the Asset Purchase Agreement) solely for the purpose of having BrightStreet fulfil its existing obligations under the contracts set forth in Schedule B to the extent such obligations are not performed by e-centives. This license shall automatically terminate when all such contracts have expired or terminated. BrightStreet will use its commercially reasonable efforts to terminate such contracts as soon as possible in accordance with their terms and in any event will not engage in any action or omit to take any action which would permit the renewal or extension of any such contracts.

3.4.2 The license grant back set forth in Section 3.4.1 does not include any rights to use e-centives hardware, hosting, personnel or other resources, whether acquired by e-centives pursuant to the Asset Purchase Agreement or otherwise.

3.4.3 If e-centives chooses initially not to assume one or more of BrightStreet's existing contracts to provide services to BrightStreet's existing clients, and such clients nonetheless require BrightStreet to continue to deliver services under the non-assumed contract(s), BrightStreet hereby grants e-centives the first right of refusal to perform such services under a subcontract to BrightStreet and to receive 100% of the fees owed by such clients therefore.

4. **ASSIGNMENT OF PATENTS OR CONVERSION TO NON-EXCLUSIVE LICENSE**

4.1 Assignment of Patents to e-centives. If the Total BrightStreet Compensation at any time prior to or on the fourth anniversary of the Closing equals or exceeds the Payoff Amount, BrightStreet hereby assigns all right, title and interest in and to the Patents, free and clear of all liens and encumbrances (other than the licenses set forth in Schedule B and subject to BrightStreet's existing patent infringement protection and/or patent indemnification obligations set forth in such licenses), to e-centives, including without limitation the right to sue for all past, present and future infringements. e-centives shall have the right, at any time prior to the fourth anniversary of the Closing, to pay BrightStreet the difference between the Total BrightStreet Compensation and the Payoff Amount, which payment shall be considered part of the Total BrightStreet Compensation. Subject to the license rights granted herein, BrightStreet retains ownership of the Patents until such time the Patents are assigned to e-centives pursuant to Section 4.1.

4.2 Conversion to Non-Exclusive License. If the Total BrightStreet Compensation does not equal or exceed the Payoff Amount on the fourth anniversary of the Closing, the license granted in Section 3.1 shall automatically convert without the need for any further action by either party from an exclusive license to a nonexclusive license provided that if the license provided in Section 3.1 is transferred by e-centives to a third-party in any proceeding in bankruptcy or quasi-bankruptcy, insolvency, assignment for the benefit of creditors or other proceeding relating to creditors, whether formal or informal, then upon the conversion to a non-exclusive license as provided in this subsection, or to the extent such conversion has occurred prior to the transfer, such license shall be modified so as not to be sublicenseable by such third-party except to the extent necessary in connection with a bona fide sale or license of the Technology (as the term Technology is defined in the Asset Purchase Agreement).

5. PROSECUTION AND ENFORCEMENT OF PATENTS

5.1 Prosecution.

5.1.1 *Exclusive Period.* For so long as the license grant set forth in Section 3.1 remains exclusive, e-centives shall have the sole right, in its discretion, to control and to determine whether to pursue the preparation, filing, prosecution, maintenance, enforcement and defense of the Patents (including, without limitation, all existing BrightStreet applications and interferences). e-centives agrees to pay the Patent Fees associated with the exercise of the foregoing rights. In the event e-centives desires to abandon the prosecution of one or more of the Patents ("Abandoned Patents"), e-centives will provide BrightStreet with sixty (60) days prior written notice of such abandonment after which BrightStreet shall have the right to prosecute and maintain such Abandoned Patents.

5.1.2 *Non-exclusive Period.* In the event the license grant set forth in Section 3.1 converts to a non-exclusive license grant pursuant to Section 4.3, the rights and obligations of e-centives set forth in Section 5.1.1 shall automatically terminate and all rights and obligations to prosecute, maintain, defend and enforce the Patent shall revert to BrightStreet.

5.2 Enforcement.

5.2.1 *Notice.* Each party agrees to notify the other party promptly of each infringement or possible infringement of the Patents, as well as any facts which may affect the validity, scope or enforceability of the Patents of which such party becomes aware.

5.2.2 *Exclusive Period.* For so long as the license grant set forth in Section 3.1 remains exclusive, e-centives is empowered to, and shall have the exclusive right, but not the obligation to: (a) bring suit in its own name, or if required by law, jointly with BrightStreet, at e-centives' own expense and on its own behalf, for infringement of the Patents; (b) in any such suit to enjoin infringement and to collect for its use, damages, profits and awards of whatever nature recoverable for such infringement; and (c) subject to the following sentence, defend or settle any claim or suit for infringement of the Patents filed, including, without limitation, by granting the infringing party a sublicense under Section 3.1 of this Agreement. Notwithstanding the foregoing, in the event that e-centives elects in writing not to defend or settle a claim or suit for infringement that is subject to indemnification by BrightStreet to the parties set forth in Schedule B, then BrightStreet shall have the right, at its expense, to defend or settle such claims, provided

however, that any non-monetary settlement shall require e-centive's prior written consent, which consent will not be unreasonably withheld.

5.2.3 *Non-exclusive Period.* In the event the license grant set forth in Section 3.1 converts to a non-exclusive license grant pursuant to Section 4.3, then the rights set forth in Section 5.2.2 shall terminate, provided however, that the rights shall continue solely with respect to any suit(s) that have been instigated by e-centives prior to the date the license converts to a non-exclusive license, unless otherwise agreed by the parties. In such an event, any judgment or settlement arising from such a claim shall be paid out as follows: first, e-centives (and BrightStreet, if it took over the execution of such claim) shall recover their respective costs and expenses in connection with such claim, and then, any remaining proceeds shall be split thirty (30%) to e-centives and seventy percent (70%) to BrightStreet. Notwithstanding the foregoing, in the event that BrightStreet assigns its rights under the patents to a law firm that litigates such claim, then such law firm shall only be entitled to recover as costs, fees, and expenses for litigating such claim a maximum amount of fifty percent (50%) of the judgement or settlement. The provisions of this Section 5.2.3 shall apply notwithstanding that the funds from such claim are received after the end of the Interim Period.

5.3 Further Assurances. BrightStreet agrees, at e-centives' expense, to execute such documents and provide such assistance reasonably requested by e-centives for e-centives to exercise any of the rights and licenses and perform any of its obligations set forth herein, including without limitation, executing a power of attorney, joining e-centives in any litigation or proceeding regarding the Patents (provided BrightStreet shall remain responsible for its own counsel fees as well as other related costs of participation), and using reasonable best efforts to cause certain BrightStreet employees, consultants and/or inventors to enter into written agreements with e-centives to cooperate in the exercise of e-centives' rights and obligations under this Agreement. In furtherance and not in limitation of the foregoing, BrightStreet agrees to execute and place into escrow such transfer, assignment, powers-of-attorney and similar documents reasonably requested by e-centives to provide for the immediate transfer of the Patents to e-centives in the event the conditions set forth in Section 4.2 are met.

5.4 Cost of Escrow. The cost to set and maintain the escrow referenced in Section 5.3 shall be borne by e-centives.

6. COMPENSATION

6.1 Payment. Beginning on the first day of the thirteenth (13th) month following the Closing and continuing until the expiration of the Interim Period, e-centives shall pay BrightStreet an annual fee of ten percent (10%) of the Revenues received by e-centives, directly attributable to (a) the licensing or sale of any products or functionality included in the Business acquired by e-centives from BrightStreet pursuant to the Asset Purchase Agreement (the "Acquired Products/Functionality"), including without limitation the sale or licensing of Products or the provision of Services or the provision of services using the BrightStreet Technology, (b) licensing or royalty fees received from enforcement of any Patents which have been issued, and (c) licensing or royalty fees received under the existing non-exclusive licenses granted by BrightStreet to the parties set forth in Exhibit B. Except as otherwise set forth in

Section 5.2.3, such ongoing payment obligations shall immediately cease upon the expiration of the Interim Period, but excluding any Revenues received by e-centives directly attributable to e-centives existing e-coupon business, even if functionality included in the Business is integrated into the platform used by e-centives for its existing e-coupon business to the extent such integration does not add any significantly new functionality for which e-centives receives additional revenue.

6.2 Determination of Revenue. For purposes of this Section 6, "Revenue" of the Business shall be determined in the following manner. All determinations of Revenue shall be made in accordance with GAAP, applied in a manner consistent with the financial statements of e-centives, and shall be net of any actual returns or actual bad debt expense related to the Acquired Products/Functionality.

6.2.1 e-centives shall determine the Revenues from the licensing or sale of any of the Acquired Products/Functionality, and offered by e-centives on a stand-alone basis. All of these amounts shall be included in "Revenue."

6.2.2 In the case of Acquired Products/Functionality offered by e-centives as incorporated into or in conjunction with other products or services of e-centives such that the revenues solely attributable to the Acquired Products/Functionality cannot readily be determined by e-centives ("Combined Products/Functionality"), e-centives shall make a reasonable allocation of the revenues realized from the licensing or sale of Combined Products/Functionality between the Acquired Products/Functionality and other products or services of e-centives based upon the relative market value of the respective functions performed by each as determined by e-centives in its good faith reasonable discretion, in each case acting in good faith and consistently with other similar allocations made by e-centives hereunder or for other purposes. "Revenue" shall include the portion of the revenues from the licensing or sale of Combined Products/Functionality so allocated to the Acquired Products/Functionality.

6.2.3 In the case of each contract entered into within the Interim Period, where e-centives has a legal right to receive revenue from the licensing or sale of Acquired Products/Functionality or Combined Products/Functionality after the Interim Period, but where such right is not considered revenue for the Interim Period under applicable GAAP revenue recognition principles ("Unrealized Contracts"), e-centives shall reasonably determine the applicable revenues (under Sections 6.2.1 or 6.2.2 above, as applicable) which it is legally entitled to receive under such Unrealized Contracts without further action on the part of the customer (such as the exercise of any options to purchase products beyond those legally committed to in the contract). e-centives shall then (i) apply a reasonable discount to such Revenues to reflect the fact that they will be received after the end of the applicable period, which discount shall be based on e-centives' cost of funds at such time (or, if not determinable, the cost of funds for similarly situated companies as reasonably determined by e-centives' financial adviser), (ii) reduce such revenues by a probability factor that reflects any applicable uncertainties regarding e-centives' ability to perform the Unrealized Contract and become entitled to the Revenues and (iii) reduce such revenues by a probability factor that reflects any applicable uncertainties or externalities regarding the ability of a customer who is a party to such Unrealized Contract to perform the Unrealized Contract and entitle e-centives to realize revenues, it being understood that all of the foregoing reductions shall be multiplicative in application, and not additive. The resulting amount (the "Contract Value") for

each Unrealized Contract shall be included in "Revenue".

6.2.4 A computation of the Revenues for the applicable period will be prepared by e-centives in the form of a report in accordance with the foregoing principles and delivered to BrightStreet within 45 days after completion of each calendar quarter during each year that e-centives is required to pay royalties to BrightStreet hereunder.

6.3 Audit Rights. e-centives shall maintain complete and accurate records in accordance with commercially reasonable record keeping procedures with respect to the calculation of all payments due BrightStreet pursuant to Section 6.1. BrightStreet shall have the right, at its expense (except as provided below), to have a Big Five independent auditor audit e-centives's books and records for the purpose of verifying and tracking payment amounts. Any audits made pursuant to this Section 6.3 shall be made not more than twice per year, on not less than ten (10) days written notice, during regular business hours, by auditors reasonably acceptable to the parties. If the auditor's figures reflect underpayment of the amounts due, then e-centives shall immediately pay the amount owed. In addition, for any audit performed hereunder, if the auditor's figures vary by more than 5% from the figures provided by e-centives, then e-centives shall also pay the reasonable cost of the audit.

7. WARRANTIES

7.1 By BrightStreet. BrightStreet represents and warrants to e-centives that (a) BrightStreet is the sole owner of the Patents, (b) BrightStreet has the full right, power and authority to enter into this Agreement, to grant to e-centives the rights granted herein and to perform BrightStreet's obligations hereunder, (c) this Agreement does not conflict with, result in a breach of, or constitute a default under any agreement, contract, instrument, order or decree to which BrightStreet is a party or by which BrightStreet is otherwise bound, (d) the Patents are the original discovery and development of BrightStreet or its predecessor in interest and (e) the Patents, and e-centives' exercise of its rights in the Patents, does not infringe or misappropriate any patent, trademark, trade secret or other proprietary right of any third party.

7.2 By e-centives. e-centives represents and warrants to BrightStreet that (a) e-centives has the full right, power and authority to enter into this Agreement, and (b) this Agreement does not conflict with, result in a breach of, or constitute a default under any agreement, contract, instrument, order or decree to which e-centives is a party or by which e-centives is otherwise bound.

7.3 No Warranty As to Patents. E-CENTIVES UNDERSTANDS AND ACKNOWLEDGES THAT, EXCEPT AS EXPLICITLY SET FORTH HEREIN, THE PATENTS ARE PROVIDED "AS IS", WITHOUT WARRANTY OF ANY KIND. BRIGHTSTREET MAKES NO WARRANTY, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INTERRUPTION WITH RESPECT TO THE PATENTS.

8. TERM, DEFAULT AND TERMINATION

8.1 Term. The term of this Agreement shall begin on the Effective Date and continue until the last of the Patents has expired, unless terminated sooner in accordance with the terms hereof.

8.2 BrightStreet's Rights. In the event that e-centives breaches a material term or condition of this Agreement and fails to cure such breach within a thirty (30) day period after receiving written notice from BrightStreet of such breach, BrightStreet may seek injunctive relief or damages from e-centives for such uncured breach or other remedies available at law or in equity except as prohibited by the following sentence. In no event may BrightStreet terminate this Agreement nor seek or obtain a remedy that limits the scope of the applicable license or other rights granted to e-centives in this Agreement.

8.3 e-centives' Rights. In the event that BrightStreet breaches a material term or condition of this Agreement and fails to cure such breach within a thirty (30) day period after receiving written notice from e-centives of such breach, e-centives may terminate this Agreement. BrightStreet acknowledges that in the case of BrightStreet's breach hereunder, the resulting damage to e-centives may be substantial, and difficult, if not impossible, to determine. e-centives shall thus, in addition to any other remedies at law or in equity, be entitled to immediate injunctive or other equitable relief, including specific performance of BrightStreet's obligations under this Agreement.

8.4 Subsequent Obligations. Each party's rights and obligations under Sections 6.3, 7, 8.2, 8.3, 8.4, 9, 10, 11, and 12 will survive termination or expiration of this Agreement for any reason.

9. INDEMNIFICATION

9.1 BrightStreet shall indemnify and hold e-centives harmless and at e-centives' request defend, from and against, any and all liability, damages, loss or expense (including reasonable fees of attorneys and other professionals) arising from any claim, demand, action or proceeding (a "Claim") initiated by any third party based upon a breach of BrightStreet's warranties set forth in Section 7.1 hereof. e-centives shall provide BrightStreet with prompt written notice of any such Claim. BrightStreet shall assist e-centives, at e-centives' request, in the defense or settlement of the matter. In the event of a Claim for violation of any patent, copyright, trademark, trade secret, or other proprietary right, BrightStreet shall either (i) obtain for e-centives the right to continue to use the infringing item or (ii) replace the infringing item or modify it so that it becomes non-infringing but remains functionally equivalent or superior.

9.2 e-centives shall indemnify and hold BrightStreet harmless and at BrightStreet's request defend, from and against, any and all liability, damages, loss or expense (including reasonable fees of attorneys and other professionals) arising from any Claim initiated by any third party based upon a breach of e-centives' warranties set forth in Section 7.2 hereof. BrightStreet shall provide e-centives with prompt written notice of any such Claim. e-centives shall assist BrightStreet, at BrightStreet's, request in the defense or settlement of the matter.

10. CONFIDENTIALITY

Each party shall hold the terms and conditions of this Agreement and any other proprietary and confidential information disclosed by the other party that is identified as confidential at the time of disclosure or which the receiving party should reasonably know is confidential given the type of information and the nature of the disclosure ("Confidential Information") in strict confidence, shall not disclose it to others or use it in any way, commercially or otherwise, except for purposes of performing its obligations and/or exercising rights granted to it or retained by it under this Agreement. Each party further agrees to take all action reasonably necessary to protect the confidentiality of the Confidential Information including, without limitation, implementing and enforcing operating procedures to minimize the possibility of unauthorized use or copying of the Confidential Information. Notwithstanding the foregoing, the term "Confidential Information" shall not include any information which (a) is or becomes part of the public domain through no fault of the other party, (b) is obtained from any third party which is under no obligation to protect the confidentiality thereof, (c) can be established by reasonable documentary evidence to have been independently developed without reliance on the Confidential Information; (d) is required to be disclosed by law or order of a court or administrative agency; provided, however, that unless prohibited by law from so doing, the receiving party shall give the disclosing party advance written notice of such required disclosure; or (e) is known to the receiving party at the time of disclosure as established by reasonable documentary evidence.

11. LIMITATIONS OF LIABILITY/LIMITATION OF DAMAGES

EXCEPT FOR THE INDEMNIFICATION PROVISIONS SET FORTH HEREIN, NEITHER PARTY SHALL BE LIABLE FOR LOSS OF PROFITS OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES INCURRED BY THE OTHER PARTY AND ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT. THE ESSENTIAL PURPOSE OF THIS PROVISION IS TO EXCLUDE EACH PARTY'S LIABILITY TO THE OTHER PARTY FOR ANY AND ALL DAMAGES OTHER THAN DIRECT DAMAGES. FURTHERMORE, NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, EXCEPT FOR THE INDEMNIFICATION PROVISIONS SET FORTH HEREIN, EACH PARTY'S ENTIRE LIABILITY ARISING UNDER THIS AGREEMENT SHALL IN NO EVENT EXCEED THE PAYMENTS PAID AND/OR PAYABLE BY E-CENTIVES PURSUANT TO SECTION 6.1.

12. MISCELLANEOUS

12.1 Assignment. This Agreement and the rights and duties appertaining thereto may not be assigned by either party (except in connection with a merger, consolidation, reorganization, or sale of all or substantially all of such party's assets or business) ("Change of Control") without first obtaining the written consent of the other, and any such purported assignment, without the written consent of the other party, shall be null and void. Notwithstanding the foregoing, upon prior written notice to e-centives, BrightStreet may assign to a committee of its creditors or such committee's designee, the right to bring suit against e-centives to enforce this

Agreement in accordance with the terms, conditions and procedures set forth in Section 10(d) of the Asset Purchase Agreement (as if this Agreement were the "Agreement" thereunder).

12.2 Governing Law; Severability. This Agreement shall be construed in accordance with the laws of the State of California without reference to its choice of law or conflict of laws rules. In the event that it is determined by a court of competent jurisdiction that any provision of this Agreement is invalid, illegal, or otherwise unenforceable, such provision will be enforced as nearly as possible in accordance with the stated intention of the parties, while the remainder of this Agreement will remain in full force and effect and bind the parties according to its terms. To the extent any provision cannot be enforced in accordance with the stated intentions of the parties, such provisions will be deemed not to be a part of this Agreement.

12.3 Independent Contractors. The parties hereto are independent contractors, and neither is an agent nor employee of, and has no authority to bind, the other by contract or otherwise. Nothing in this Agreement shall be deemed to constitute, establish, create, give effect to or otherwise recognize a joint venture, partnership or formal business entity of any kind, and the rights and obligations of the party shall be limited to those expressly set forth herein.

12.4 Waiver. The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

12.5 Notices. Any required or permitted notices hereunder must be given in writing at the address of each party set forth on the first page of this Agreement (and, with respect to notices to BrightStreet, with a copy to Barry A. Carr, Esq., Carr & Ferrell, LLP, 2225 E. Bayshore Road, Suite 200, Palo Alto, CA 94303 and to Craig Prim, Esq., Murray and Murray, PC, 19330 Stevens Creek Blvd., Suite 100, Cupertino, California, 95014-2526), or to such other address as either party may substitute by written notice to the other in the manner contemplated herein, by one of the following methods: hand delivery; registered, express, or certified mail, return receipt requested, postage prepaid; nationally-recognized private express courier; or facsimile with receipt verification. Notices will be deemed given on the date when hand delivered or transmitted by facsimile, five (5) days after being sent by express mail or nationally-recognized private express courier, and ten (10) days after being sent by registered or certified mail.

12.6 Force Majeure. Each party hereto shall be excused from any breach of this Agreement which is proximately caused by governmental regulation, act of war, strike, act of God or other similar circumstances normally deemed outside the reasonable control of the parties.

12.7 Complete Agreement. The parties hereto acknowledge that this Agreement, including any exhibits and schedules hereto, and the Asset Purchase Agreement, set forth the entire agreement and understanding of the parties hereto as to the subject matter hereof and thereof, and shall not be subject to any waiver, change or modification except by the execution of a written instrument subscribed to by the parties hereto.

12.8 Attorneys' Fees. The prevailing party shall be entitled to recover its reasonable attorneys' fees and costs in any action to enforce or interpret any part of this Agreement (including reasonable fees on appeal).

[The rest of this page is intentionally left blank.]

Jan-03-02 05:12pm From-H & M D.C. Office 19E-409

T-018 P.003/003 F-206

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the dates indicated below.

BRIGHT STREET.COM, INC.

E-CENTIVES, INC.

By: R. Santilli

By: K. H. [Signature]

Title: President

Title: CEO

Date: _____

Date: _____

SCHEDULE A

PATENTS

BRIGHTSTREET PATENT APPLICATION STATUS CHART

Applications Based On Original Filing

TITLE	COMMENTS
Method and System for Electronic Distribution of Product Redemption Coupons	Issued November 20, 2001. Reg. No. 6,321,208
Method and System for Electronic Distribution of Product Redemption Coupons	Allowed; Issue Fee Paid
Method and System for Electronic Distribution of Product Redemption Coupons	Interference with Coolsavings
Method and System for Electronic Distribution of Product Redemption Coupons	Interference with West
Method and System for Electronic Distribution of Product Redemption Coupons	Interference with Engel
Method and System for Electronic Distribution of Product Redemption Coupons	Continuation
Method and System for Electronic Distribution of Product Redemption Coupons	Continuation
Method and System for Electronic Distribution of Product Redemption Coupons	Interference with Intel
Method and System for Electronic Distribution of Product Redemption Coupons	Interferences with One Clip
Method and System for Electronic Distribution of Product Redemption Coupons	Interference with Christensen

Later Filings

TITLE	COMMENTS
System and Method for Bar Code Rendering and Recognition	Pending
System and Method for Bar Code Rendering and Recognition	PCT (Foreign) – Pending
Method and System for Providing a Loyalty and Rewards Program Over A Distributed Network	Pending
Method and System for Providing a Loyalty and Rewards Program Over A Distributed Network	PCT (Foreign) – Pending
Method and System for Generating Certificate Having Unique ID Data	Pending

Unfiled

TITLE
Method and System for
Method and System for
Method and System for
Method and System for
Method and System For
Method and System for
Method and System for
Method and System for
Method and System for

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SCHEDULE B

EXISTING NON-EXCLUSIVE LICENSES

BrightStreet has entered into non-exclusive technology licenses (that include patent infringement protection and/or patent infringement indemnification rights) with following entities. The list below includes current and former customers and/or investors.

<u>Licensee' name</u>	Terminated/Cancelled Agreements
Beech-Nut (via CTM)	*
Central Newspaper	*
Cox Target Media, Inc.	
Dayton Daily News	*
Deseret News	*
Fleischmann's (via CTM)	*
Frozen Food Council Promotions	*
Lycos, Inc.	
MBNA America Bank, N.A.	
Media Newsgroup	*
Memberworks Incorporated	
Nestle USA, Inc.	
Petsmart	*
Reckitt Benckiser, Inc.	*
Save.com LLC	
Salt Lake Tribune	*
The Beaufort Gazette	*
The McClatchy Company (includes license for Fresno Bee, Nando Media, The Bakersfield Californian, Star Tribune and the News and Observer)	
The Tacoma News	*
Valassis Communications, Inc.	
Yesmail	*