

07-22-2002

Tab settings → → →



102162289

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

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

**INTELLIGENT TEXT  
PROCESSING, INC.**  
**3226 Nebraska Avenue**  
**Santa Monica, CA 90404**

7-22-02

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

## 3. Nature of conveyance:

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

Execution Date: **May 15, 2002**

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

Name: **JAMES DAHLGREN and  
KATHLEEN DAHLGREN**

Internal Address: \_\_\_\_\_

Street Address: **3226 Nebraska Avenue**City: **Santa Monica** State: **CA** ZIP: **90404**Additional name(s) & address(es) attached? ☐ Yes ☒ No

## 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.(s)

B. Patent No.(s)

**Natural Language Understanding System**  
(Serial No. 5,794,050)Additional numbers attached? ☐ Yes ☒ No

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

**Mrs. Kim Walker**  
Name: **Buchalter, Nemer, Fields & Younger**

Internal Address: \_\_\_\_\_

Street Address: **601 South Figueroa St., Ste. 2400**City: **Los Angeles** State: **California** ZIP: **90017**6. Total number of applications and patents involved: **1**7. Total fee (37 CFR 3.41) ..... \$ **40<sup>00</sup>**

- ☐ Enclosed  
☒ Authorized to be charged to deposit account

## 8. Deposit account number:

**20-0052**

(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.**Kim Walker**

Name of Person Signing

Signature

**July 18, 2002**

Date

Total number of pages including cover sheet, attachments, and document: **11**

07/23/2002 DBYRNE 00000011 200052 5794050

01 FC:581 40.00 CH

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

0016SSH.FRM

# **INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This INTELLECTUAL PROPERTY SECURITY AGREEMENT ("Agreement"), dated as of May 15, 2002, is entered into between Intelligent Text Processing, Inc. ("Debtor"), a California corporation, and JAMES DAHLGREN and KATHLEEN DAHLGREN ("Creditor"), individuals in light of the following:

A. Debtor and Creditor are, contemporaneously herewith, entering into two (2) Promissory Notes (collectively, "Notes"); and

B. Debtor is the owner of certain intellectual property, identified below, in which Debtor is granting a security interest to Creditor.

NOW THEREFORE, in consideration of the mutual promises, covenants, conditions, representations, and warranties hereinafter set forth and for other good and valuable consideration, the parties hereto mutually agree as follows:

## **1. DEFINITIONS.**

1.1 **Definitions.** The following terms, as used in this Agreement, have the following meanings:

"Code" means the California Uniform Commercial Code, as amended and supplemented from time to time, and any successor statute.

"Collateral" means:

(i) Each of the trademarks and rights and interest which are capable of being protected as trademarks (including trademarks, service marks, designs, logos, indicia, tradenames, corporate names, company names, business names, fictitious business names, trade styles, and other source or business identifiers, and applications pertaining thereto), which are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all trademark rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), and rights to renew and extend such trademarks and trademark rights;

(ii) Each of the patents and patent applications which are presently, or in the future may be, owned, issued, acquired, or used (whether pursuant to a license or otherwise) by Debtor, in whole or in part, and all patent rights with respect thereto throughout the world, including all proceeds thereof (including license royalties and proceeds of infringement suits), foreign filing rights, and rights to extend such patents and patent rights;

(iii) All of Debtor's right to the trademarks listed in **Exhibit A**, attached hereto, as the same may be updated hereafter from time to time;

(iv) All of Debtor's right, title, and interest, in and to the patents listed in **Exhibit B**, attached hereto, as the same may be updated hereafter from time to time;

(v) All of Debtor's right, title and interest to register trademark claims under any state or federal trademark law or regulation of any foreign country and to apply for, renew, and extend the trademark registrations and trademark rights, the right (without obligation) to sue or bring opposition or cancellation proceedings in the name of Debtor for past, present, and future infringements of the trademarks, registrations, or trademark rights and all rights (but not obligations) corresponding thereto in the United States and any foreign country, and the associated goodwill;

(vi) All of Debtor's right, title, and interest in all patentable inventions, and to file applications for patent under federal patent law or regulation of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring interference proceedings in the name of Debtor for past, present, and future infringements of the patents, and all rights (but not obligations) corresponding thereto in the United States and any foreign country;

(vii) All general intangibles relating to the foregoing; and

(viii) All proceeds of any and all of the foregoing (including, without limitation, license royalties and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance, or any indemnity, warranty, or guaranty payable by reason of loss or damage to or otherwise with respect to the Collateral.

“Obligations” means all obligations, liabilities, and indebtedness of Debtor to Creditor, whether direct, indirect, liquidated, or contingent, and whether arising under this Agreement, the Notes, or otherwise, including all costs and expenses described in Section 11.8 hereof.

## **2. GRANT OF SECURITY INTEREST.**

Debtor hereby grants to Creditor a first-priority security interest in all of Debtor's right, title, and interest in and to the Collateral to secure the Obligations.

## **3. REPRESENTATIONS, WARRANTIES AND COVENANTS.**

Debtor hereby represents, warrants, and covenants that:

### **3.1 Trademarks; Service Marks; Patents.**

(i) A true and complete exhibit setting forth all trademarks and service marks owned or controlled by Debtor is set forth in **Exhibit A**;

(ii) A true and complete schedule setting forth all patents and patent applications owned or controlled by Debtor, together with a summary description and full information in respect of the filing or issuance thereof and expiration dates is set forth in **Exhibit B**;

3.2 Validity; Enforceability. Each of the patents, service marks and trademarks is valid and enforceable, and Debtor is not presently aware of any past, present, or prospective claim by any third party that any of the patents, service marks or trademarks are invalid or unenforceable, or that the use of any patents, service marks or trademarks violates the rights of any third person, or of any basis for any such claims;

3.3 Title. Debtor is the sole and exclusive owner of the entire and unencumbered right, title, and interest in and to each of the patents, patent applications, service marks, and trademarks, free and clear of any liens, charges, and encumbrances, including pledges, assignments, licenses, shop rights, and covenants by Debtor not to sue third persons;

3.4 Notice. Debtor has used and will continue to use proper statutory notice in connection with its use of each of the patents, service marks and trademarks;

3.5 Quality. Debtor has used and will continue to use consistent standards of high quality (which may be consistent with Debtor's past practices) in the manufacture, sale, and delivery of products and services sold or delivered under or in connection with the service marks and trademarks, including, to the extent applicable, in the operation and maintenance of its merchandising operations, and will continue to maintain the validity of the service marks and trademarks;

3.6 Perfection of Security Interest. Except for the filing of a financing statement with the Secretary of State of the State of California and filings with the United States Patent and Trademark Office necessary to perfect the security interests created hereunder, no authorization, approval, or other action by, and no notice to or filing with, any governmental authority or regulatory body is required either for the grant by Debtor of the security interest hereunder or for the execution, delivery, or performance of this Agreement by Debtor or for the perfection of or the exercise by Creditor of its rights hereunder to the Collateral in the United States.

#### 4. AFTER-ACQUIRED PATENT, SERVICE MARK OR TRADEMARK RIGHTS.

If Debtor shall obtain rights to any new service marks, trademarks, any new patentable inventions or become entitled to the benefit of any patent application or patent for any reissue, division, or continuation, of any patent, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to Creditor with respect to any such new service marks, trademarks or patents, or renewal or extension of any service mark or trademark registration. Debtor shall bear any expenses incurred in connection with future patent applications or service mark or trademark registrations.

#### 5. LITIGATION AND PROCEEDINGS.

Debtor shall commence and diligently prosecute in its own name, as the real party in interest, for its own benefit, and its own expense, such suits, administrative proceedings, or other action for infringement or other damages as are in its reasonable business judgment necessary to protect the Collateral. Debtor shall provide to Creditor any information with respect thereto requested by Creditor. Creditor shall provide at Debtor's expense all necessary cooperation in connection with any such suits, proceedings, or action, including, without limitation, joining as a necessary party. Following Debtor's becoming aware thereof, Debtor shall notify Creditor of the institution of, or any adverse determination in,

any proceeding in the United States Patent and Trademark Office, or any United States, state, or foreign court regarding Debtor's claim of ownership in any of the patents, service marks or trademarks, its right to apply for the same, or its right to keep and maintain such patent, service mark or trademark rights.

**6. POWER OF ATTORNEY.**

Debtor grants Creditor power of attorney, having the full authority, and in the place of Debtor and in the name of Debtor, from time to time following an Event of Default in Creditor's discretion, to take any action and to execute any instrument which Creditor may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation, as may be subject to the provisions of this Agreement: to endorse Debtor's name on all applications, documents, papers, and instruments necessary for Creditor to use or maintain the Collateral; to ask, demand, collect, sue for, recover, impound, receive, and give acquittance and receipts for money due or to become due under or in respect of any of the Collateral; to file any claims or take any action or institute any proceedings that Creditor may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce Creditor's rights with respect to any of the Collateral and to assign, pledge, convey, or otherwise transfer title in or dispose of the Collateral to any person.

**7. RIGHT TO INSPECT.**

Debtor grants to Creditor and its employees and agents the right to visit Debtor's facilities which store products sold under any of the patents or trademarks, and to inspect the products and quality control records relating thereto at reasonable times during regular business hours.

**8. EVENTS OF DEFAULT.**

Any of the following events shall be an Event of Default:

8.1 Promissory Notes. An Event of Default shall occur as defined in the Loan Agreement;

8.2 Misrepresentation. Any representation or warranty made herein by Debtor or in any document furnished to Creditor by Debtor under this Agreement is incorrect in any material respect when made or when reaffirmed; and

8.3 Breach. Debtor fails to observe or perform any covenant, condition, or agreement to be observed or performed pursuant to the terms hereof which materially and adversely affects Creditor.

**9. SPECIFIC REMEDIES.**

Upon the occurrence of any Event of Default, Creditor shall have, in addition to, other rights given by law or in this Agreement or the Notes, all of the rights and remedies with respect to the Collateral of a secured party under the Code, including the following:

9.1 Notification. Creditor may notify licensees to make royalty payments on license agreements directly to Creditor;

9.2 Sale. Creditor may sell or assign the Collateral and associated goodwill at public or private sale for such amounts, and at such time or times as Creditor deems advisable. Any requirement of reasonable notice of any disposition of the Collateral shall be satisfied if such notice is sent to Debtor five days prior to such disposition. Debtor shall be credited with the net proceeds of such sale only when they are actually received by Creditor, and Debtor shall continue to be liable for any deficiency remaining after the Collateral is sold or collected. If the sale is to be a public sale, Creditor shall also give notice of the time and place by publishing a notice one time at least five days before the date of the sale in a newspaper of general circulation in the county in which the sale is to be held. To the maximum extent permitted by applicable law, Creditor may be the purchaser of any or all of the Collateral and associated goodwill at any public sale and shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any public sale, to use and apply all or any part of the Obligations as a credit on account of the purchase price of any collateral payable by Creditor at such sale.

**10. CHOICE OF LAW AND VENUE; JURY TRIAL WAIVER.**

THE VALIDITY OF THIS AGREEMENT, ITS CONSTRUCTION, INTERPRETATION, AND ENFORCEMENT, AND THE RIGHTS OF THE PARTIES HERETO WITH RESPECT TO ALL MATTERS ARISING HEREUNDER OR RELATED HERETO SHALL BE DETERMINED UNDER, GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT GIVING EFFECT TO ITS CONFLICT OF LAWS PRINCIPLES. THE PARTIES AGREE THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS AGREEMENT SHALL BE TRIED AND LITIGATED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA OR, AT THE SOLE OPTION OF CREDITOR, IN ANY OTHER COURT IN WHICH CREDITOR SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. EACH OF DEBTOR AND CREDITOR WAIVES, TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, ANY RIGHT EACH MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 10. DEBTOR AND CREDITOR HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF ANY OF THE LOAN DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED THEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS. DEBTOR AND CREDITOR REPRESENT THAT EACH HAS REVIEWED THIS WAIVER AND EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, A COPY OF THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

**11. MISCELLANEOUS PROVISIONS.**

11.1 Effectiveness. This Agreement shall be binding and deemed effective when executed by Debtor and Creditor.

11.2 Successors and Assigns. This Agreement shall bind and inure to the benefit of the respective successors and assigns of each of the parties; provided, however, that Debtor may not assign this Agreement or any rights or duties hereunder without Creditor's prior written consent and any prohibited assignment shall be absolutely void. Creditor may assign this Agreement and its rights and duties hereunder and no consent or approval by Debtor is required in connection with any such assignment.

11.3 Section Headings. Headings and numbers have been set forth herein for convenience only. Unless the contrary is compelled by the context, everything contained in each section applies equally to this entire Agreement.

11.4 Severability of Provisions. Each provision of this Agreement shall be severable from every other provision of this Agreement for the purpose of determining the legal enforceability of any specific provision.

11.5 Amendments in Writing. This Agreement can only be amended by a writing signed by both Creditor and Debtor.

11.6 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Agreement.

11.7 Fees and Expenses. Debtor shall pay to Creditor on demand all costs and expenses that Creditor pays or incurs in connection with the negotiation, preparation, consummation, administration, enforcement, and termination of this Agreement, including: (a) reasonable attorneys' and paralegals' fees and disbursements of counsel to Creditor; (b) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) for any amendment, supplement, waiver, consent, or subsequent closing in connection with this Agreement and the transactions contemplated hereby; (c) costs and expenses of lien and title searches; (d) taxes, fees, and other charges for filing this Agreement at the United States Patent and Trademark Office, or for filing financing statements, and continuations, and other actions to perfect, protect, and continue the security interest created hereunder; (e) sums paid or incurred to pay any amount or take any action required of Debtor under this Agreement that Debtor fails to pay or take; (f) costs and expenses of preserving and protecting the Collateral; and (g) costs and expenses (including reasonable attorneys' and paralegals' fees and disbursements) paid or incurred to enforce the security interest created hereunder, sell or otherwise realize upon the Collateral, and otherwise enforce the provisions of this Agreement, or to defend any claims made or threatened against Creditor arising out of the transactions contemplated hereby (including preparations for the consultations concerning any such matters). The foregoing shall not be construed to limit any other provisions of this Agreement or the Notes regarding costs and expenses to be paid by Debtor. The parties agree that reasonable attorneys' and paralegals' fees and costs incurred in enforcing any judgment are recoverable as a separate item in addition to fees and costs incurred in obtaining the judgment and that the recovery of such attorneys' and paralegals' fees and costs is intended to survive any judgment, and is not to be deemed merged into any judgment.

11.8 Notices. Except as otherwise provided herein, all notices, demands, and requests that either party is required or elects to give to the other shall be in writing and shall be sent by U.S. mail (first class) or nationally-recognized courier service (e.g., DHL, Federal Express), with all postage or delivery charges prepaid, or may be sent via facsimile, subject to confirmation via U.S. mail or nationally-recognized courier service, and shall be addressed to the parties at their addresses first set forth above or to such other address(es) as may be furnished by written notice in the manner set forth herein. Notices shall be deemed to have been served when delivered or, if delivery is not performed as a result of the addressee's fault, when tendered.



11.9 Termination By Creditor. After termination of the Notes and when Creditor has received payment and performance, in full, of all Obligations, Creditor shall execute and deliver to Debtor a termination of all of the security interests granted by Debtor hereunder.

11.10 Integration. This Agreement, together with the Notes, reflect the entire understanding of the parties with respect to the transactions contemplated hereby and shall not be contradicted or qualified by any other agreement, oral or written, before the date hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

CREDITOR JAMES DAHLGREN

By: James Dahlgren

Date: 5/15/02

CREDITOR KATHLEEN DAHLGREN

By: Kathleen Dahlgren

Date: 5/15/02

DEBTOR INTELLIGENT TEXT PROCESSING, INC.

By: Kathleen Dahlgren

Date: 5/15/02

Name: Kathleen Dahlgren

Title: President & CTO

**Exhibit A**

**TRADEMARKS AND SERVICE MARKS**

1. INQUIZIT TECHNOLOGIES
2. INTELLIGENT TEXT PROCESSING, INC
3. CONCEPT SEARCH
4. “INQUIZIT” - United States Trademark Registration No. 2,531,076
5. “CONCEPT ENGINE” - Trademark Application Serial No. 76/044,044

**Exhibit B**

**PATENTS**

<b><u>Patent Title</u></b>	<b><u>Issue Date</u></b>	<b><u>Patent No.</u></b>	<b><u>Name of Inventor</u></b>
1. Natural Language Understanding System	August 11, 1998	5,794,050	Kathleen Dahlgren, Edward Stabler