

09-12-2002



Form PTO-1595 OFFICE OF PUBLIC RECORDS

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

102219306

DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

Tab settings ? ? ? ? ? ? ? ? ? ?

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

1. Name of conveying party(ies):

NetOctave, Inc.

9-3-02

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

3. Nature of conveyance:

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

Execution Date: August 27, 2002

2. Name and address of receiving party(ies)

Name: Intersouth Partners V, L.P. as agent for the
secured parties pursuant to the security agreement

Internal

Address: _____

Street Address: 3211 Shannon Road, Suite 610

City: Durham State: North Carolina Zip: 27707

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) 09/849667, 09/845432,
09/852562, 09/852937, 09/849853, 09/999647, 10/004,081
PCTUS01/14333, PCTUS01/15176, PCTUS01/15180,
PCTUS01/14561, PCTUS01/14616, PCTUS01/48207,
PCTUS01/47774

B. Patent No.(s)

Additional number(s) attached ☐ Yes ☒ No

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

Name: Charlotte L. Tart, Esq.

Internal Address: Wyrick Robbins Yates & Ponton LLP

Street Address: 4101 Lake Boone Trail, Suite 300

City: Raleigh State: NC Zip: 27607

6. Total number of applications and patents involved:

14

7. Total fee (37 CFR 3.41)..... \$560.00

☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(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.

Fred D. Hutchison

Name of Person Signing

Fred D. Hutchison

Signature

Assist Secretary

8/27/02

Date

Total number of pages including cover sheet, attachments, and document: 14

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

09/11/2002 LNUELLER 00000169 09049667 560.00/00 01 FC:501

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (the "Agreement"), dated as of August 27, 2002, is entered into by and among NetOctave, Inc., a Delaware corporation ("Grantor"), and the entities set forth on the Schedule A hereto (each a "Secured Party" and, collectively, the "Secured Parties").

RECITALS

WHEREAS, the Secured Parties will make advances to Grantor (collectively, the "Loan"), as described in the Note and Warrant Purchase Agreement, dated as of the date hereof, by and among the Secured Parties and Grantor, but only if Grantor grants the Secured Parties a security interest in its copyrights, trademarks and patents and other collateral described in that certain Security Agreement by and among the Secured Parties and Grantor (collectively, the "Collateral"), executed in connection with the Loan and dated as of the date hereof (the "Security Agreement"); and

WHEREAS, the Loan is to be evidenced by Secured Promissory Notes, executed by the Grantor and made payable to each respective Secured Party (the "Notes"); and

WHEREAS, Grantor has granted the Secured Parties a security interest in all of its right, title and interest, presently existing or later acquired to all the Collateral; and

WHEREAS, the parties wish to confirm and clarify the grant to the Secured Parties of a security interest in and to all the Intellectual Property (as defined below) of Grantor.

NOW, THEREFORE, for good and otherwise valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows.

AGREEMENT

1. Secured Obligations. This Agreement is given to secure the due and punctual payment of the principal of and interest on the Notes (along with any penalties, payments and/or adjustments to the amounts owed under the Notes upon an Event of Default (as defined in the Notes)) and the due and punctual performance of all other obligations to be performed by Grantor under the Purchase Agreement and related agreements and documents, together with any extensions and renewals of the foregoing obligations and reasonable attorneys' fees (collectively the "Secured Obligations"). This Agreement shall terminate and be of no further force or effect upon the terms set forth in Section 3 below.

2. Security Interest. As security for the due and punctual payment and performance by Grantor of the Secured Obligations, Grantor hereby grants the Secured Parties a security interest (which shall be subject and subordinate to the Permitted Liens (as defined in the Security Agreement)) in all of its right, title and interest in its Intellectual Property (as defined below). As used herein, the term "Intellectual Property" shall include:

(a) each of the trademark rights and interests that 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), that are presently, or in the future may be, owned, created, acquired, or used (whether pursuant to a license or otherwise) by Grantor, 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;

(b) 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 Grantor, 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;

(c) all of Grantor's right to the trademarks and trademark registrations listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(d) all of Grantor's right, title, and interest, in and to the patents and patent applications listed on Exhibit A attached hereto, as the same may be updated hereafter from time to time;

(e) all of Grantor's right, title and interest to register trademark claims under any state or federal trademark law or 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 Grantor or in the name of any Secured Party 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;

(f) all of Grantor's right, title, and interest in all patentable inventions, and to file applications for patents under patent law or regulations of the United States or of any foreign country, and to request reexamination and/or reissue of the patents, the right (without obligation) to sue or bring infringement proceedings in the name of Grantor or in the name of any Secured Party 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;

(g) all of Grantor's right, title, and interest in its copyright, copyright registration and copyrightable property;

(h) the entire goodwill of or associated with the businesses now or hereafter conducted by Grantor connected with and symbolized by any of the aforementioned properties and assets;

(i) all general intangibles relating to the foregoing and all other intangible intellectual or other similar property of Grantor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(j) all products and 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 Intellectual Property.

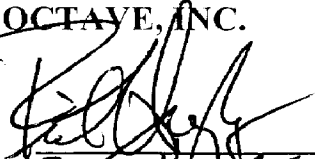
3. Term of Agreement. Grantor acknowledges and agrees that the number and amount of the Secured Obligations may fluctuate from time to time hereafter. Grantor expressly agrees that this Agreement and the security interest in the Intellectual Property conveyed to the Secured Parties hereunder shall remain valid and in full force and effect, notwithstanding any such fluctuations and future partial payments. This Agreement shall terminate, and each Secured Party shall release its security interest in the Intellectual Property (and shall execute any and all documents reasonably requested in connection with such release, which obligation shall survive such termination), upon payment in full by or on behalf of Grantor of all of the then outstanding Notes issued pursuant to the Purchase Agreement.

This security interest is granted hereunder in conjunction with the security interest in the Collateral granted under the Security Agreement. The Secured Parties' rights and remedies in the Intellectual Property granted hereunder are in addition to those in the Purchase Agreement, the Security Agreement and other documents related thereto, and are in addition to those available at law or in equity. The Secured Parties' rights, powers and remedies herein are cumulative with every right, power or remedy provided in the Security Agreement. The Secured Parties' exercise of their rights, powers or remedies in this Agreement, the Purchase Agreement, the Security Agreement or any other agreements or documents related thereto does not preclude the simultaneous or later exercise of any or all other rights, powers or remedies.

[Signature page follows.]

IN WITNESS WHEREOF, this Intellectual Property Security Agreement is hereby executed by the parties hereto as of the year and date first above written.

GRANTOR:

NETOCTAVE, INC.
By: 
Name: Rick Hecker
Title: CEO

SECURED PARTIES:

INTERSOUTH PARTNERS V, L.P.

By Intersouth Associates V, LLC, its General Partner

By: _____
Name: _____
Title: _____

INTERSOUTH AFFILIATES V, L.P.

By Intersouth Associates V, LLC, its General Partner

By: _____
Name: _____
Title: _____

MCNC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Intellectual Property Security Agreement is hereby executed by the parties hereto as of the year and date first above written.

GRANTOR:


NETOCTAVE, INC.

By: _____
Name: _____
Title: _____

SECURED PARTIES:

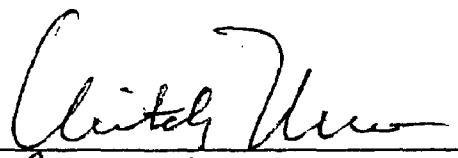
INTERSOUTH PARTNERS V, L.P.

By Intersouth Associates V, LLC, its General Partner

By: 
Name: Mitch Munna
Title: Member Manager

INTERSOUTH AFFILIATES V, L.P.

By Intersouth Associates V, LLC, its General Partner

By: 
Name: Mitch Munna
Title: Member Manager

MCNC

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, this Intellectual Property Security Agreement is hereby executed by the parties hereto as of the year and date first above written.

GRANTOR: **NETOCTAVE, INC.**

By: _____
Name: _____
Title: _____

SECURED PARTIES: **INTERSOUTH PARTNERS V, L.P.**

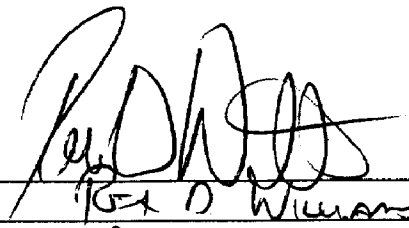
By Intersouth Associates V, LLC, its General Partner

By: _____
Name: _____
Title: _____

INTERSOUTH AFFILIATES V, L.P.

By Intersouth Associates V, LLC, its General Partner

By: _____
Name: _____
Title: _____

MCNC

By: _____
Name: Peter D Williams
Title: CEO

WAKEFIELD GROUP II LLC

By: MF Elliott
Name: MF Elliott
Title: MD

**THE NORTH CAROLINA ENTERPRISE
FUND LIMITED PARTNERSHIP**

By: _____
Name: _____
Title: _____

**KITTY HAWK CAPITAL LIMITED
PARTNERSHIP, IV**

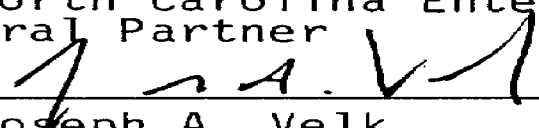
By: _____
Name: _____
Title: _____

WAKEFIELD GROUP II LLC

By: _____
Name: _____
Title: _____

**THE NORTH CAROLINA ENTERPRISE
FUND LIMITED PARTNERSHIP**

By: The North Carolina Enterprise Corporation,
General Partner

By:  _____
Name: Joseph A. Velk
Title: Executive Vice President

**KITTY HAWK CAPITAL LIMITED
PARTNERSHIP, IV**

By: _____
Name: _____
Title: _____

WAKEFIELD GROUP II LLC

By: _____
Name: _____
Title: _____

**THE NORTH CAROLINA ENTERPRISE
FUND LIMITED PARTNERSHIP**

By: _____
Name: _____
Title: _____

**KITTY HAWK CAPITAL LIMITED
PARTNERSHIP, IV**

By: *Kitty Hawk Partners, LLC, ITA for*
Name: *CHRIS HEGLER* *General Partner*
Title: *MANAGING MEMBER*

SCHEDULE A

SECURED PARTIES

INTERSOUTH PARTNERS V, L.P.

INTERSOUTH AFFILIATES V, L.P.

MCNC

WAKEFIELD GROUP II, LLC

THE NORTH CAROLINA ENTERPRISE FUND LIMITED PARTNERSHIP

KITTY HAWK CAPITAL LIMITED PARTNERSHIP, IV

EXHIBIT A

INTELLECTUAL PROPERTY

PATENTS AND PATENT APPLICATIONS

U.S. – Accelerated Montgomery Multiplication Using Plural Multipliers

Serial No. 09/849,667, filed May 4, 2001

Published under number US-2002-0013799-A1 on January 31, 2002

U.S. – Hash-Ordered Databases and Methods, Systems and Computer Program Products for Use of Hash-Ordered Database

Serial No. 09/845,432, filed April 30, 2001

Published under number US-2001-0042204-A1 on November 15, 2001

U.S. – Cryptographic Data Processing Systems, Computer Program Products, and Methods of Operating Same in which a System Memory is used to Transfer Information Between a Host Processor and an Adjunct Processor

Serial No. 09/852,562, filed May 10, 2001

Published under number US-2001-0042210-A1 on November 15, 2001

U.S. – Cryptographic Data Processing Systems, Computer Program Products, and Methods of Operating Same in which Multiple Cryptographic Execution Units Execute Commands from a Host Processor in Parallel

Serial No. 09/852,937, filed May 10, 2001

Published under number US-2002-0004904-A1 on January 10, 2002

U.S. – Accelerated Montgomery Exponentiation Using Plural Multipliers

Serial No. 09/849,853, filed May 4, 2001

Published under number US-2002-0010730-A1 on January 24, 2002

U.S. – Methods, Systems and Computer Program Products for Packet Ordering for Parallel Cryptographic Processing

Serial No. 09/999,647, filed October 30, 2001

U.S. – Parallel Random Number Determinations for a Stream Cipher Utilizing a Common S-Box

Serial No. 10/004,081, filed October 30, 2001

International - Hash-Ordered Databases and Methods, Systems and Computer Program Products for Use of Hash-Ordered Database

Filed May 3, 2001; International Application No. PCT/US01/14333

Published under number WO 01-86502 on November 15, 2001

International - Cryptographic Data Processing Systems, Computer Program Products, and Methods of Operating Same in which Multiple Cryptographic Execution Units Execute Commands from a Host Processor in Parallel

Filed May 10, 2001; International Application No. PCT/US01/15176

Published under number WO 01-86432 on November 15, 2001

International - Cryptographic Data Processing Systems, Computer Program Products, and Methods of Operating Same in which a System Memory is used to Transfer Information Between a Host Processor and an Adjunct Processor

Filed May 10, 2001; International Application No. PCT/US01/15180

Published under number WO 01-86430 on November 15, 2001

International - Accelerated Montgomery Exponentiation Using Plural Multipliers
Filed May 7, 2001; International Application No. PCT/US01/14561
Published under number WO 01/93012

International - Accelerated Montgomery Multiplication Using Plural Multipliers
Filed May 7, 2001; International Application No. PCT/US01/14616
Published under number WO 01-88692 on November 22, 2001

International - Methods, Systems and Computer Program Products for Packet Ordering for Parallel Cryptographic Processing
Filed December 14, 2001; PCT/US01/48207

International - Parallel Random Number Determinations for a Stream Cipher Utilizing a Common S-Box
Filed December 14, 2001; PCTUS01/47774

TRADEMARKS

FLOWTHROUGH	Serial #76/321382 Filing Date: 10/4/2001
CIPHERSUITE	Serial #76/321479 Filing Date: 10/4/2001
NETOCTAVE	Serial #76/216619 Filing Date: 2/27/2001
NETOCTAVE (AND DESIGN)	Serial #76/216618 Filing Date: 2/27/2001
NETWORK SECURITY THAT SCALES	Serial #76/216617 Filing Date: 2/27/2001