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

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

1. Name of conveying party(ies):

Novavision, Inc. 12836 South Dixie Highway Bowling Green, OH 43402

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: 07/17/02

2. Name and address of receiving party(ies)

Name: National City Bank

Internal Address:

Street Address: 405 Madison Ave.

City: Toledo State: OH Zip: 43604

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) 09/593,846, 09/838,589, and 60/358,589

B. Patent No.(s) 5,464,690; 5,670,003; 5,759,683; 5,674,580

Additional numbers attached? Yes No

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

Name: Patricia B. Fugee, Esq.

Internal Address: Roetzel & Andress

Street Address: One SeaGate, 9th Floor

City: Toledo State: OH Zip: 43604

6. Total number of applications and patents involved: 12

7. Total fee (37 CFR 3.41).....\$ 480.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

Patricia B. Fugee, Esq. Name of Person Signing

Patricia B. Fugee Signature

10/25/02 Date

Total number of pages including cover sheet, attachments, and documents: 9

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

10/28/2002 TDIAZ1 00000116 09593846 01 FC:8021 480.00 DP

PATENT REEL: 013403 FRAME: 0573

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**Additional Patent Numbers Subject to Patent Collateral Assignment
From Novavision, Inc. to National City Bank, dated July 17, 2002**

Patents:

U.S. Patent No. 5,643,678

U.S. Patent No. 5,753,349

U.S. Patent No. 5,810,957

U.S. Patent No. 5,783,017

U.S. Patent No. 6,087,940

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PATENT COLLATERAL ASSIGNMENT

This Agreement is made on the 17th day of July, 2002, between **Novavision, Inc.** having a mailing address at **12836 South Dixie Highway, Bowling Green, OH, 43402** ("Assignor") and **National City Bank** having a mailing address at **405 Madison Avenue, Toledo, OH 43604** ("National City").

PRELIMINARY STATEMENT. Assignor has executed and delivered its **Promissory Note** of even date herewith (the "Note") to National City in connection with an extension of credit by National City to Assignor in the principal amount of **\$500,000.00**. In order to induce National City to extend such credit, Assignor has agreed to grant a security interest in and collaterally assign to National City certain patent rights, and has executed and delivered its **Security Agreement** (the "Security Agreement") of even date herewith to National City. This Agreement is executed pursuant and subject to the terms of the Security Agreement.

NOW, THEREFORE, in consideration of the premises, Assignor hereby agrees with National City as follows:

1. **Assignment of Patents.** (a) To secure the complete and timely satisfaction of all obligations, including the repayment of the Indebtedness (as that term is defined in the Security Agreement), of Assignor to National City (collectively, the "Obligations"), Assignor hereby grants, assigns and conveys to National City a continuing security interest in all of Assignor's right, title and interest in and to any and all patents, registrations and applications for the protection of inventions and designs now owned or hereafter acquired by, granted to, or filed by Assignor, whether in the United States or any foreign country, including without limitation the following:

i. the pending U.S. Patent Applications and issued U.S. Patents identified on **Schedule A** attached hereto, as supplemented in accordance with paragraph 3 hereof; and

ii. any and all reissues, extensions, renewals, divisions, continuations and continuations-in-part of any of the foregoing,

together with all proceeds thereof (such as, by way of example, license royalties and proceeds of infringement suits), the right to sue for past, present and future infringements, all licenses, agreements and other rights corresponding thereto throughout the world, formulae, processes, compounds, methods, know-how and trade secrets relating to the manufacture of Assignor's products under, utilizing, or in connection with any of the foregoing, and all goodwill of Assignor's business connected with, symbolized by or in any way related to any of the foregoing (all of the foregoing collectively referred to as the "Patents"). Notice of the foregoing grant, assignment and conveyance, or this Patent Collateral Assignment may be filed in the United States Patent and Trademark Office by National City.

(b) In addition to the grant of a security interest provided in paragraph 1(a), Assignor hereby assigns and conveys to National City all of its right, title and interest in and to the Patents, which assignment and conveyance shall be evidenced by an Assignment of Letters Patent, Inventions and Applications for Letters Patent to be executed contemporaneously herewith, as the same may be amended and modified from time to time pursuant to paragraph 3 hereof or otherwise (the "Assignment"); provided, however, that such assignment and conveyance shall be and become of force and effect

only, and shall immediately and automatically become of force and effect without further action, upon notice to Assignor by National City of the occurrence of an Event of Default under the Note or a default under the Security Agreement, and National City shall be authorized to record the Assignment with the Patent and Trademark Office only upon the furnishing of such notice. Unless and until National City provides Assignor with notice of an Event of Default under the Note or a default under the Security Agreement, and except as set forth in paragraphs 2(g) and

2(i) hereof, Assignor shall own the title to the Patents and shall have the exclusive, non-transferable, indivisible right and license under the Patents to make, have made for it, use and sell the inventions disclosed and claimed in the Patents for Assignor's own benefit and account.

2. Representations and Warranties. Assignor covenants and warrants that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable, in whole or in part, and are not subject to or a subject of any pending or, to the best of Assignor's knowledge, threatened litigation;

(b) To the best of Assignor's knowledge, each of the Patents is valid and enforceable and Assignor has notified National City in writing of all prior art (including public uses and sales) of which it is aware;

(c) Assignor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any liens, charges and encumbrances, including without limitation pledges, assignments, licenses, shop rights and covenants by Assignor not to sue third persons and rights of third parties arising out of developments funded in whole or in part by such third parties or otherwise;

(d) Assignor has the unqualified right to enter into this Agreement and perform its terms and has entered and will enter into written agreements with each of its present and future employees, agents and consultants which will enable it to comply with the covenants herein contained;

(e) Schedule A attached hereto identifies all of the Patents that Assignor owns or of which Assignor is entitled to the benefit;

(f) Assignor shall not sell or assign its interest in any Patent, without the prior written consent of National City; and

(g) Assignor shall not grant any license of or similar right in any Patent without the prior written consent of National City unless (i) the license is nonexclusive and (ii) Assignor receives fair market value for such license or right.

(h) Each of the patent applications is currently pending in the United States Patent and Trademark Office and none of such patent applications has become abandoned.

3. Rights to New Patents. If, before the Obligations (as defined in the Security Agreement) shall have been satisfied in full and Assignor has no further rights to obtain extensions of credit from National City, Assignor shall obtain rights to or is entitled to the benefit of any patents, registrations or applications for the protection of inventions and designs not already listed in Schedule A attached hereto, the provisions of paragraph 1 shall automatically apply thereto and Assignor shall give to National City prompt notice thereof in writing hereof. Assignor authorizes National City to modify this Agreement, without the signature of Assignor, by amending Schedule A and the Assignment to include any such patents, registrations or applications covered by paragraph 1 or paragraph 3 hereof.

4. Default Remedies. Upon National City's provision of notice to Assignor of the occurrence of an Event of Default under the Note or a default under the Security Agreement, Assignor's ownership and rights in the Patents shall terminate forthwith, and National City shall have, in addition to all other rights and remedies given it by this Agreement, those provided in the Security Agreement and those allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any jurisdiction in which the Patents may be located.

5. Appointment as Attorney-in-Fact. In the event of the occurrence of an Event of Default under the Note or a default under the Security Agreement, Assignor hereby irrevocably authorizes and empowers National City to make, constitute and appoint any officer or agent of National City, as National City may select in its exclusive discretion, as Assignor's true and lawful attorney-in-fact, with the power to endorse Assignor's name on all applications, documents, papers and instruments necessary to assign, pledge, convey or otherwise transfer or dispose of all of Assignor's right, title and interest in and to the Patents to National City or any other party, or to grant or issue any exclusive or nonexclusive license under the Patents to any third person, or necessary for National City to assign, pledge, convey or otherwise transfer title in or dispose of the Patents to any third person. Assignor hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable for the life of this Agreement. The rights and powers conferred upon National City under this Agreement are solely to protect its interests in the Patents and shall not impose any duty upon National City to exercise any such rights or powers. National City shall be accountable only for amounts that National City actually receives as a result of the exercise of such rights and powers and neither National City nor any of its officers, directors, employees or agents shall be responsible to Assignor for any act or failure to act, except for National City's own gross negligence or willful misconduct.

6. Termination of Agreement. At such time as Assignor shall completely satisfy all of the Obligations and Assignor has no right to obtain any further extensions of credit from National City, this Agreement shall terminate and National City shall execute and deliver to Assignor all deeds, assignments, and other instruments as may be necessary or proper to re-vest in Assignor full title to the Patents, subject to any disposition thereof which may have been made by National City pursuant hereto.

7. Fees and Expenses. Any and all fees, costs and expenses, of whatever kind or nature, including the reasonable attorney's fees and legal expenses incurred by National City in connection with the preparation of this Agreement and all other documents relating hereto and the consummation of this transaction, the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise protecting, maintaining or preserving the Patents, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, shall be borne and paid by Assignor on demand by National City and until so paid shall be added to the principal amount of the Obligations and shall bear interest at the highest rate prescribed in the Note.

8. Duties of the Assignor. Assignor agrees that, until all of the Obligations shall have been satisfied in full and Assignor has no right to obtain further extensions of credit from National City, it will not enter into any agreement (by example, and not in limitation, a license agreement) which is inconsistent with Assignor's obligations under this Agreement, without National City's prior written consent. Assignor further agrees that at any time and from time to time, at the expense of Assignor, Assignor will promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary or desirable, or that National City may in good faith request, in order to perfect and protect the security interest and collateral assignment granted or purported to be granted hereby or to enable National City to exercise its rights and remedies hereunder.

Until all of the Obligations shall have been paid in full and Assignor has no right to obtain further extensions of credit from National City, Assignor shall have the duty to prosecute diligently any patent applications of the Patents pending as of the date of this Agreement or thereafter, to make application on unpatented but patentable inventions and to preserve and maintain all rights in patent applications and patents of the Patents, including without limitation the payment of all maintenance fees. Any expenses incurred in connection with such an application shall be borne by Assignor. After an Event of Default under the Note or a default under the Security Agreement, the Assignor shall not abandon any pending patent application or

patent without the consent of National City, which consent shall not be unreasonably withheld.

9. Preservation of Patents. Assignor shall have the right to bring suit in its own name, and to join National City, if necessary, as a party to such suit so long as National City is satisfied that such joinder will not subject it to any risk of liability, to enforce the Patents and any licenses thereunder. Assignor shall promptly, upon demand, reimburse and indemnify National City for all damages, costs and reasonable expenses, including legal fees, incurred by National City pursuant to this paragraph 9 as well as for any and all damages, costs and expenses, including legal fees incurred by National City as the result of any claims relating to the Patents.

10. Cumulative Rights; Waiver. All of National City's rights and remedies with respect to the Patents, whether established hereby or by the Security Agreement, or by any agreements or by law shall be cumulative and may be exercised singularly or concurrently.

No course of dealing between Assignor and National City, nor any failure to exercise, nor any delay in exercising, on the part of National City, any right, power or privilege hereunder or under the Security Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

11. Enforceability; Governing Law. The provisions of this Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any clause or provision of this Agreement in any jurisdiction. The validity and interpretation of this Agreement and the rights and obligations of the parties shall be governed by the laws of the State of Ohio.

12. Modification. This Agreement is subject to modification only by a writing signed by the parties, except as provided in paragraph 3.

13. Successors and Assigns. The benefits and burdens of this Agreement shall inure to the benefit of and be binding upon the respective successors and permitted assigns of the parties; provided, however, that the foregoing provisions shall not invalidate or otherwise modify the restriction imposed on Assignor hereunder with respect to transferring any part of or interest in the Patents.

14. Headings. All headings herein are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provisions of this Agreement.

IN WITNESS WHEREOF, Assignor and National City have executed this instrument on the 17 day of July, 2002.

Signed and acknowledged
in the presence of:

Kathleen J Caperna
Jennifer Caperna

Signed and acknowledged
in the presence of:

Kathleen J Caperna
Jennifer Caperna

ASSIGNOR:

Novavision, Inc.

By: Albert J Caperna
Albert J. Caperna
Its: **President**

LENDER:

NATIONAL CITY BANK

By: Douglas J. Andrews
Douglas J. Andrews
Its: **Senior Vice President**

CERTIFICATE OF ACKNOWLEDGMENT

STATE OF OHIO)
) SS:
COUNTY OF LUCAS)

On this 17th day of July, 2002, before me, a Notary Public in and for said County and State, personally appeared Albert J. Caperna known to me to be the person who as President of Novavision, Inc., an Ohio corporation which executed the foregoing instrument, sign the same, and acknowledge to me that he did so sign said instrument in the name and upon behalf of said corporation as such officer, and by authority of the resolution of its Board of Directors; and that the same is his free act and deed as such officer, and the free and corporate act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Idonna M. Gallagher
Notary Public



IDONNA M. GALLAGHER
Notary Public, State of Ohio
Commission Expires 7/22/06

STATE OF OHIO)
) SS:
COUNTY OF LUCAS)

On this 17th day of July, 2002, before me, a Notary Public in and for said County and State, personally appeared Douglas J. Andrews known to me to be the person who as Senior Vice President of National City Bank, a national banking association, which executed the foregoing instrument, sign the same, and acknowledge to me that he did so sign said instrument in the name and upon behalf of said national banking association as such officer, and by authority of the resolution of its Board of Directors; and that the same is his free act and deed as such officer, and the free and corporate act and deed of said national banking association.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Idonna M. Gallagher
Notary Public



IDONNA M. GALLAGHER
Notary Public, State of Ohio
Commission Expires 7/22/06

NOVAVISION, INC.

Patents and Patent Applications

1. U.S. Patent No. 5,464,690 based on Appl. Serial No. 08/222,283 filed 4/4/94. (A-10293)

Claims directed to a substrate and composite sheet suitable for forming a holographic image directly on an article and a method for forming such composite sheet.

2. U.S. Patent No. 5,670,003 based on Appl. Serial No. 08/495,181 filed 6/27/95 as division of Appl. Serial No. 08/222,283. (ESSP 95112) (A-11385)

Claims directed to forming a holographic image directly on a substrate.

3. U.S. Patent No. 5,759,683 based on Appl. Serial No. 08/495,183 filed 6/27/95 as division of Appl. Serial No. 08/222,283. (ESSP 95113) (A-11553)

Claims directed to a document having a holographic image embossed thereon after the composite sheet has been adhered to the substrate.

4. U.S. Patent No. 5,674,580 based on Appl. Serial No. 08/381,095 filed 1/30/95 as a continuation-in-part (CIP) of Appl. Serial No. 08/222,283. (ESSP 94190) (A-11401)

Claims directed to a composite sheet having structure similar to that of U.S.P.N. 5,464,690 but suitable for hot leaf stamping and to a method for forming.

5. U.S. Patent No. 5,643,678 based on Appl. Serial No. 08/541,312 filed 10/10/95 as a continuation-in-part (CIP) of Appl. Serial No. 08/222,283. (ESSP 9515) (A-11135)

Claims directed to a composite sheet having a diffraction grating image formed therein and to a method for forming such sheet.

6. U.S. Patent No. 5,753,349 based on Appl. Serial No. 08/735,688 filed 10/23/96 as a continuation-in-part (CIP) of Appl. Serial No. 541,312 entitled *Document Having Security Image and Composite Sheet and Method for Forming*. (ESSP 96136) (A-11549)

Printing is visible through image.

7. U.S. Patent No. 5,810,957 based on Appl. Serial No. 08/824,188 filed 3/26/97 as division of Appl. Serial No. 541,312. (ESSP 97053) (A-11617)

Claims directed to Method of Forming Holographic Film.

8. U.S. Patent No. 5,783,017 based on Appl. Serial No. 08/865,734 filed 5/30/97 as division of Appl. Serial No. 08/381,095 filed 1/30/95 as CIP of Appl. Serial No. 08/222,283 filed 4/4/94. (ESSP 97088) (A-11589)

Claims directed to Method of Forming Hot Leaf Stamping Foil

9. U.S. Patent No. 6,087,940 based on Appl. Serial No. 09/330,808 filed 6/11/99 based on Provisional Patent Application No. 60/094,421 filed 7/28/98. Article Surveillance Device and Method for Forming. (ESSP 99082) (A-12224)

10. U.S. Patent Application No. 09/593,846 filed 6/14/00 based on Provisional Application No. 60/197,754 filed 4/19/00. Holographic Foil and Method - Boswell. (ESSP 00099)

11. U.S. Patent Application No. 09/838,589 filed 5/18/01 filed as a continuation-in-part of Appl. Serial No. 09/593,846 filed 6/14/00 which is based upon Prov. Appl. Serial No. 60/197,754 filed 4/19/00. Holographic Foil and Method - Boswell and Messmer (ESSP 01131)

12. U.S. Provisional Application No. 60/358,034 filed 2/19/02. Direct Coated and Metalized Holographic Paper and Board Stock - Messmer and Jenkins. (ESSP 02044)

PATENT