

12-11-2002

Form PTO-1595

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

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

FINANCE SECTION

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

1. Name of conveying party(ies):

Coalescent Surgical, Inc.

12-6-02

2. Name and address of receiving party(ies)

Name: Venture Lending & Leasing III, Inc.

Internal Address: _____

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

3. Nature of conveyance:

☐

Assignment

☐

Merger

☒

Security Agreement

☐

Change of Name

☐

Other _____

Street Address: 2010 North First Street

City: San Jose State: CA Zip: 95131

Execution Date: 11/18/02

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) 09/090,305

09/089,884, 09/260,623, 09/259,705

B. Patent No.(s) 5,879,371,

6,074,401; 6,149,658; 5,972,024

Additional numbers attached? ☒ Yes ☐ No

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

Name: Jeffrey T. Klugman, Esq.

Internal Address: _____

Street Address: Greene Radovsky Maloney & Share LLP

Four Embarcadero Center, Suite 4000

City: San Francisco State: CA Zip: 94111

6. Total number of applications and patents involved: 16

7. Total fee (37 CFR 3.41).....\$ 640.00

☒

Enclosed

☐

Authorized to be charged to deposit account

8. Deposit account number: _____

DO NOT USE THIS SPACE

9. Signature.

Jeffrey T. Klugman

Name of Person Signing

Signature

12/2/02

Date

Total number of pages including cover sheet, attachments, and documents: 15

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

12/10/2002 6T0111 00000179 09090305

01 FC:8021

640.00 OP

PATENT
REEL: 013552 FRAME: 0192

RECORDATION FORM COVER SHEET
FOR COALESCENT SURGICAL, INC. CONTINUED

Number 4a. Application Numbers Continued

09/540,636
09/540,638
09/541,397
09/686,729
09/686,004
09/828,322
09/828,335
09/847,947

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (this "Agreement") is made as of November 18, 2002, by and between COALESCENT SURGICAL, INC., a Delaware corporation ("Grantor"), and VENTURE LENDING & LEASING III, INC., a Maryland corporation ("Secured Party").

RECITALS

A. Pursuant to a Loan and Security Agreement, dated as of November 18, 2002 (the "Loan Agreement") among Grantor, as borrower, and Secured Party, as lender, Secured Party has agreed to make certain advances of money and to extend certain financial accommodations to Grantor (the "Loans") in the amounts and manner set forth in the Loan Agreement. All capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement.

B. Secured Party is willing to make the Loans to Grantor, but only upon the condition, among others, that Grantor shall grant to Secured Party a security interest in substantially all of Grantor's personal property whether presently existing or hereafter acquired. To that end, Grantor has executed in favor of Secured Party the Loan Agreement granting a security interest in all "Collateral", as defined therein, and is executing this Agreement with respect to certain items of Intellectual Property, in particular.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of all of Grantor's present or future Obligations, Grantor hereby grants a security interest to Secured Party, as security, in and to Grantor's entire right, title and interest in, to and under the following Intellectual Property, now owned or hereafter acquired by Grantor or in which Grantor now holds or hereafter acquires any interest (all of which shall collectively be called the "Collateral" for purposes of this Agreement):

(a) Any and all copyrights, whether registered or unregistered, held pursuant to the laws of the United States, or any State thereof; all registrations, applications and recordings in the United States Copyright Office or in any similar office or agency of the United States, any State thereof or any other country; all continuations, renewals, or extensions thereof; and any registrations to be issued under any pending applications, including without limitation those set forth on Exhibit A attached hereto (collectively, the "Copyrights");

(b) All letters patent of the United States, all registrations and recordings thereof, and all applications for letters patent of, or rights corresponding thereto in, the United States, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof or any other country; all reissues, continuations, continuations-in-part or extensions thereof; all petty patents, divisionals, and patents of addition; and all patents to be issued under any such applications, including without limitation the patents and patent applications set forth on Exhibit B attached hereto (collectively, the "Patents");

(c) All trademarks, trade names, corporate names, business names, trade styles, service marks, logos, other source or business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, and reissues, extensions or renewals thereof, and the entire goodwill of the business of Grantor connected with and symbolized by such trademarks, including without limitation those set forth on Exhibit C attached hereto (collectively, the "Trademarks");

(d) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right during the continuance of an Event of Default, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above;

(e) All licenses or other rights to use any of the Copyrights, Patents or Trademarks, and all license fees and royalties arising from such use to the extent permitted by such license or rights;

(f) All amendments, renewals and extensions of any of the Copyrights, Trademarks or Patents; and

(g) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

Notwithstanding the foregoing the term "Collateral" shall not include: (a) "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise, but only to the extent the granting of a security interest in such "intent to use" trademarks would be contrary to applicable law or (b) any contract, instrument or chattel paper in which Grantor has any right, title or interest if and to the extent such contract, instrument or chattel paper includes a provision containing a restriction on assignment such that the creation of a security interest in the right, title or interest of Grantor therein would be prohibited and would, in and of itself, cause or result in a default thereunder enabling another person party to such contract, instrument or chattel paper to enforce any remedy with respect thereto; provided, however, that the foregoing exclusion shall not apply if (i) such prohibition has been waived in writing or such other person has otherwise consented in writing to the creation hereunder of a security interest in such contract, instrument or chattel paper, or (ii) such prohibition would be rendered ineffective pursuant to Section 9-318(4) of the UCC or Sections 9-407(a) or 9-408(a) of Revised Article 9 of the UCC, as applicable and as then in effect in any relevant jurisdiction, or any other applicable law (including the Bankruptcy Code) or principles of equity); provided further that immediately upon the ineffectiveness, lapse or termination of any such provision, the term "Collateral" shall include, and Grantor shall be deemed to have granted a security interest in, all its rights, title and interests in and to such contract, instrument or chattel paper; and provided further that the foregoing exclusion shall in no way be construed so as to limit, impair or otherwise affect Secured Party's unconditional continuing security interest in and to all rights, title and interests of Grantor in or to any payment obligations or other rights to receive monies due or to become due under any such contract, instrument or chattel paper and in any such monies and other proceeds of such contract, instrument or chattel paper.

2. Covenants and Warranties. Grantor represents, warrants, covenants and agrees as follows:

(a) Grantor is now the sole owner of all Collateral in which Grantor claims an ownership interest, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business;

(b) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in such Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement;

(c) To its knowledge, each of the Patents is valid and enforceable, and no part of such Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of such Collateral violates the rights of any third party;

(d) Grantor shall deliver to Secured Party within thirty (30) days of the last day of each fiscal quarter, a report signed by Grantor, in form reasonably acceptable to Secured Party, listing any applications or registrations that Grantor has made or filed in respect of any patents, copyrights or trademarks and the status of any outstanding applications or registrations. Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Trademark, Patent or Copyright not specified in this Agreement;

(e) Grantor shall use reasonable commercial efforts to (i) protect, defend and maintain the validity and enforceability of the Trademarks, Patents and Copyrights in which Grantor claims an ownership interest (ii) detect infringements of such Trademarks, Patents and Copyrights and promptly advise Secured Party in writing of material infringements detected and (iii) not allow any such material Trademarks, Patents or Copyrights to be

abandoned, forfeited or dedicated to the public without the written consent of Secured Party, which consent shall not be unreasonably withheld;

(f) Grantor shall apply for registration (to the extent not already registered) with the United States Patent and Trademark Office or the United States Copyright Office, as applicable: (i) those intellectual property rights listed on Exhibits A, B and C hereto within thirty (30) days of the date of this Agreement; and (ii) those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product or service, prior to the sale or licensing of such product or the rendering of such service to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibits A, B and C), except with respect to such rights that Grantor determines in its sole but reasonable commercial judgment need not be registered to protect its own business interests. Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral. Grantor shall give Secured Party notice of all such applications or registrations; and

(g) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any material contract to which it becomes a party of any provisions that could or might in any way prevent the creation of a security interest in Grantor's rights and interests in any property included within the definition of the Collateral acquired under such contracts.

3. Further Assurances; Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office and the Register of Copyrights, and take all such action as may reasonably be deemed necessary or advisable, or as reasonably requested by Secured Party, to perfect Secured Party's security interest in all Copyrights, Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion during the continuance of an Event of Default, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, Exhibits A, B and C of this Agreement, as appropriate, without first obtaining Grantor's approval of or signature to such modification, to include reference to any right, title or interest in any Copyrights, Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Copyrights, Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law, and (iii) after the occurrence of an Event of Default, to transfer the Collateral into the name of Secured Party or a third party to the extent permitted under the California Uniform Commercial Code.

4. Events of Default. The occurrence of any of the following shall constitute an Event of Default under this Agreement:

(a) An Event of Default under the Loan Agreement; or

(b) Grantor breaches any representation or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within thirty (30) days of the sooner to occur of Grantor's receipt of notice of such breach from Secured Party or the date on which such breach first becomes known to Grantor.

5. Amendments. This Agreement may be amended only by a written instrument signed by both parties hereto, except for amendments permitted under Section 3 hereof to be made by Secured Party alone.

6. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

559 East Weddell Drive
Sunnyvale, California 94089
Attn: Chief Financial Officer

COALESCENT SURGICAL, INC.

By:



Name:

Charles T. Maroney

Its:

President & CEO

SECURED PARTY:

Address of Secured Party:

2010 North First Street, Suite 310
San Jose, CA 95131
Attn: President

VENTURE LENDING & LEASING III, INC.

By:

Name:

Its:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GRANTOR:

Address of Grantor:

COALESCENT SURGICAL, INC.

559 East Weddell Drive
Sunnyvale, California 94089
Attn: Chief Financial Officer

By: _____

Name: _____

Its: _____

SECURED PARTY:

Address of Secured Party:

VENTURE LENDING & LEASING III, INC.

2010 North First Street, Suite 310
San Jose, CA 95131
Attn: President

By:  _____

Name: SALVADOR O. GUTIERREZ
PRESIDENT

Its: _____

EXHIBIT A

Copyrights

None

EXHIBIT B

Patents

See attached.

COALESCENT SURGICAL INC.

Tracking #	Description	Date Filed	US Patent # / Application Filing #	Foreign Filing	Date Issued	Status
Approved Patents						
1	CSI-2002 Ferruled Loop Surgical Fasteners	9-Jan-97	5,879,371	Japan	9-Mar-99	Duration: 9/1/2017
2	CSI-2003 Pinned Retainer Surgical Fasteners	9-Jan-97	6,074,401	Japan	13-Jun-00	Duration: 9/1/2017
3	CSI-2004 Sutured Staple Surgical Fasteners	9-Jan-97	6,149,658	Japan	21-Nov-00	Duration: 9/1/2017
4	CSI-2001 Suture-Staple Apparatus and Methods	24-Dec-97	5,972,024	none	26-Oct-99	Duration: 24/12/2017
Pending Applications						
1	CSI-2005 Tissue Connector Apparatus and Methods	3-Jun-98	09/090,305	Europe, Australia, Japan, Canada		Pending, some claims allowed
2	CSI-2006 Tissue Connector Apparatus and Methods	3-Jun-98	09/089,884	Europe, Australia, Japan, Canada		Pending, some claims allowed
3	CSI-2008 Tissue Connector Apparatus and Methods (Doubler Arms)	1-Mar-99	09/260,623	Incorporated to Application #2		Patent allowed
4	CSI-2007 Tissue Connector Apparatus with Cable Release	1-Mar-99	09/259,705	Incorporated to Application #1		Patent allowed
5	CSI-2009 Proximal anastomosis Tool and Method	31-Mar-00	09/540,636	Abandoned in Foreign Filing		Pending
6	CSI-2010 Surgical Clip Removal Apparatus	31-Mar-00	09/540,638	Abandoned in Foreign Filing		Pending
7	CSAI-2011 Multiple Bias Surgical Fastener	31-Mar-00	09/541,397	PCT		Pending, some claims allowed
8	CSI-2012 Minimally Invasive Annuloplasty Procedure and Apparatus	9-Oct-00	09/686,729	PCT		Pending
9	CSI-2013 Minimally Invasive Valve Repair Procedure and Apparatus	10-Oct-00	09/686,004	PCT		Pending
10	CSI-2014 Bridge Clip - CIP to Double Arms (09/260,623)	5-Apr-01	09/828,322	PCT		Pending
11	CSI-2015 Multiple Loop Tissue Connector Apparatus and Method - CIP to Clip (09/090,305) & Double Arms (09/260,623)	5-Apr-01	09/828,335	PCT		Pending
12	CSI-2016 Self-Closing Surgical Clip for Vascular Anastomosis	2-May-01	09/847,947	PCT		Pending
13	CSI-2013 Minimally Invasive Valve Repair Procedure and Apparatus (Leaflet)	10/10/200	09/686,004	PCT		Pending
14	CSI-2014 Bridge Clip - CIP to Double Arms (09/260,623)	5-Apr-01	09/821,322	PCT		Pending
15	CSI-2015 Multiple Loop Tissue Connector Apparatus and Method - CIP to Clip (09/090,305) & Double Arms (09/260,623)	5-Apr-01	09/828,335	PCT		Pending
16	CSI-2016 Self-Closing Surgical Clip for Vascular Anastomosis (X-Clip)	1-May-01	09/847,947	PCT		Pending

EXHIBIT C

Trademarks

See attached.

Wednesday, November 13, 2002

Trademark List

Page: 1

Trademark Name	Client	Attorneys	Case Number	Status	Application Number/Filing Date	Registration Number/Date	Renewal Date	First Use Date
COALESCENT	193	DAR	193.000002	Registered	76/101007 01-Aug-2000	2580026 11-Jun-2002	11-Jun-2012	
Country: United States of America								
Owner: Coalescent Surgical, Inc.								
Agent: 00124 Rubelmann & Associates								
Classes: 10								
Remarks:								
Coalescent Design	193	DAR	193.000003	Registered	76/338979 13-Nov-2001	2598041 23-Jul-2002	23-Jul-2012	
Country: United States of America								
Owner: Coalescent Surgical, Inc.								
Agent: 00124 Rubelmann & Associates								
Classes: 10								
Remarks:								
COALESCENT SURGICAL, INC.	193	DAR	193.000007	Registered	001289149 23-Aug-1999	001289149 18-Dec-2000	23-Aug-2009	
Country: European Community								
Owner: Coalescent Surgical, Inc.								
Agent: 00124 Rubelmann & Associates								
Classes: 10								
Remarks:								
COALESCENT SURGICAL, INC.	193	DAR	193.000006	Registered	11-75186 20-Aug-1999	4413703 01-Sep-2000	01-Sep-2010	
Country: Japan								
Owner: Coalescent Surgical, Inc.								
Agent: 00124 Rubelmann & Associates								
Classes: 10								
Remarks:								
COALESCENT SURGICAL, INC.	193	DAR	193.000004	Registered	75/646501 23-Feb-1999	2443264 10-Apr-2001	10-Apr-2011	29-Jul-2000
Country: United States of America								
Owner: Coalescent Surgical, Inc.								
Agent: 00124 Rubelmann & Associates								
Classes: 10								
Remarks:								

PATENT

REEL: 013552 FRAME: 0204

Wednesday, November 13, 2002

Trademark List

Page: 2

Trademark Name	Client	Attorneys	Case Number	Status	Application Number/Filing Date	Registration Number/Date	Renewal Date	First Use Date
COALESCENT SUTURED-CLIP	193	DAR	193.000005	Abandoned	75/903029 25-Jan-2000			

Owner: Coalescent Surgical, Inc.

Agent: 00124 Rubelmann & Associates

Classes: 10

Remarks: Closed 2001/BOX 69

Abandoned per client's instructions.
Application filed by prior firm
(Brobeck Phleger & Harrison) during
transfer to Law Offices of Majestic,
Parson, Siebert, & Hsue. Due date of
response to Office Action missed
during the transfer. Client decided
not to pursue.

FUTURE OF SUTURE

Country: United States of America

193 DAR 193.000010 Open

76/451254

Owner: Coalescent Surgical, Inc.

19-Sep-2002

Agent: 00124 Rubelmann & Associates

Classes: 10

Remarks:

U-CLIP

Country: United States of America

193 DAR 193.000001 Pending

76/101008

Owner: Coalescent Surgical, Inc.

01-Aug-2000

Agent: 00124 Rubelmann & Associates

Classes: 10

Remarks:

U-CLIP

Country: United States of America

193 DAR 193.000011 Open

Owner: Coalescent Surgical, Inc.

Agent: 00124 Rubelmann & Associates

Classes: 10

Remarks:

PATENT

REEL: 013552 FRAME: 0205

Wednesday, November 13, 2002

Trademark List

Page: 3

Trademark Name	Client	Attorneys	Case Number	Status	Application Number/Filing Date	Registration Number/Date	Renewal Date	First Use Date
22 Proper Use Guidelines	193	DAR	193.000008	Open				
Country: United States of America	Owner: Coalescent Surgical, Inc.	Agent: 00124 Rubelmann & Associates						
Remarks:								
22 Trademark General File	193	DAR	193.000000	Open				
Country: United States of America	Owner: Coalescent Surgical, Inc.	Agent: 00124 Rubelmann & Associates						
Remarks: IPAD search pending.								
22 Watch Services	193	DAR	193.000009	Open				
Country: United States of America	Owner: Coalescent Surgical, Inc.	Agent: 00124 Rubelmann & Associates						
Remarks:								

PATENT

RECORDED: 12/06/2002

REEL: 013552 FRAME: 0206