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(Rev. 10/02)
OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. 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):
Sankyo Company, Ltd.
1-20-04

2. Name and address of receiving party(ies)
Name: Metabasis Therapeutics, Inc.
Internal Address: 9390 Towne Centre Drive
Building 300
San Diego, CA 92121
Street Address: 9390 Towne Centre Drive
Building 300
City: San Diego State: CA ZIP: 92121
Additional name(s) & address(es) attached? Yes No

OFFICE OF
2004 JAN 23 PM 9:17
FINANCE SECTION

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

3. Nature of Conveyance:
 Assignment Merger
 Security Agreement Change of Name
 Other Notice of Release and Termination of Security Interest
Execution Date: December 29, 2003

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) 6,489,476
Additional numbers attached? Yes No

6. Total number of applications and patents involved:

7. Total fee (37 CFR 3.41).....\$40.00
 Enclosed
 Authorized to be charged to deposit account
8. Deposit account number:
50-2613

5. Name and address of party to whom correspondence concerning document should be mailed:
Name: Paul, Hastings, Janofsky & Walker
Internal Address: 3579 Valley Centre Drive
San Diego, CA
92130
Street Address: P.O. Box 919092
City: San Diego State: CA ZIP: 92191-9092

DO NOT USE THIS SPACE

9. Signature.
Diana L. Bush, Reg. No. 51,109 *Diana L. Bush* *1/14/04*
Name of Person Signing Signature Date
Total number of pages including cover sheet, attachments, and documents: 10

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

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

01/21/2004 BYTME 00000143 6489476
01 FC:0021 SAN/81273.1 40.00 00

NOTICE OF RELEASE AND TERMINATION OF SECURITY INTEREST**(IN U.S. PATENTS)**

WHEREAS, METABASIS THERAPEUTICS, INC., a Delaware corporation (herein referred to as "Metabasis"), owns the letters patent, and/or applications for letters patent, of the United States more particularly described on Schedule 1-A annexed hereto as part hereof (the "Patents");

WHEREAS, Metabasis was formerly obligated to SANKYO COMPANY, LTD., a Japanese corporation (herein referred to as "Sankyo"), having entered into a Security Agreement dated June 30, 1999 (the "Security Agreement") with Sankyo; and

WHEREAS, pursuant to the Security Agreement Metabasis had granted to Sankyo a security interest in, and mortgage on, all right, title and interest of Metabasis in and to the Patents, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including any and all causes of action which may exist by reason of infringement thereof, for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations, as defined in the Convertible Term Loan Agreement, dated as of June 30, 1999, between Metabasis and Sankyo;

WHEREAS, notice of the above security interest was filed as a NOTICE OF SECURITY INTEREST and recorded with the U.S. Patent and Trademark Office under Reel No. 010058, Frame Nos. 0441 through 0444;

WHEREAS, Metabasis has paid all amounts due under the Convertible Loan Agreement, dated as of June 30, 1999, and Sankyo has acknowledged and confirmed receipt of all amounts due in full and complete satisfaction of Metabasis's obligations under the Convertible Loan Agreement, as such obligations relate to the Collateral;

NOW, THEREFORE, Sankyo hereby releases and terminates in full all of Sankyo's mortgages, liens, security or other interests, and other encumbrances of any kind (collectively, the "Liens") in and on the Collateral, and further acknowledges that it has released and relinquished any right, title or interest it may have in the Collateral, and that Metabasis Therapeutics, Inc. is the proper assignee for the Collateral, including U.S. Patent Nos. 6,054,587, 6,110,903 and 6,284,748 patents as recorded under Reel/Frame Nos. 009222/0659, 009192/0216 and 009224/0348, respectively, and that it has no ownership interest in said patents or any of the Collateral.

Additionally, Sankyo hereby authorizes Paul, Hastings, Janofsky and Walker LLP ("Paul Hastings"), Metabasis's legal counsel, to file this or similar documents with the United States Patent and Trademark Office in order to evidence the termination of any such Liens.

IN WITNESS WHEREOF, Sankyo has caused this Notice of Release and Termination of Security Interest to be duly executed by its officer thereunto duly authorized as of the 29 day of December, 2003.

ACKNOWLEDGED AND ACCEPTED BY

SANKYO COMPANY, LTD.

By: Masaru Kondo
Name: Masaru Kondo
Title: DIRECTOR
Finance Department

SAN78815.1

SCHEDULE I

ITEM A

U.S.S.N.: 09/036,327; now U.S. Patent No. 6,284,748
Title: "Novel Purine Inhibitors of Fructose-1, 6-Biphosphatase"
Filed: 3/6/98
Related Foreign Application: PCT/US98/04502
Filed: 3/6/98

U.S.S.N.: 09/036,329; now U.S. Patent No. 6,110,903
Title: "Novel Benzimidazole Inhibitors of Fructose-1,6-Biphosphatase"
Filed: 3/6/98
Subsequent Related U.S. Continuation Application: 547,282; now U.S. Patent No. 6,399,782
Filed: 4/11/2000
Related Foreign Applications: PCT/US09/04498
363/Cal/98 (India)
01-1998-00516 (Philippines)
98103291 (Taiwan)
98/1936 (South Africa)
Filed: 3/6/98

U.S.S.N.: 09/036,328; now U.S. Patent No. 6,054,587
Title: "Novel Indole and Azaindole Inhibitors of Fructose-1,6-Biphosphatase"
Filed: 3/6/98
Subsequent Related U.S. Divisional Application: 479,384; now U.S. Patent No. 6,294,672
Filed: 1/5/2000
Related Foreign Application: PCT/US98/04501
Filed: 3/6/98

U.S.S.N.: 60/111,077
Title: "Novel Heteroaromatic Inhibitors of Fructose-1,6-Biphosphatase"
Filed: 12/7/98
Subsequent Related U.S. C-I-P Application: 389,698; now U.S. Patent No. 6,489,476
Filed: 9/3/99

U.S.S.N.: 60/114,718
Title: "A Combination of FBPase Inhibitors and Insulin Sensitizers for the Treatment of Diabetes"
Filed: 12/24/98

U.S.S.N.: 09/263,165
Title: "Novel Prodrugs for Phosphorous-Containing Compuonds and Their Use in the Treatment of Diabetes"
Filed: 3/5/99

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SAN/78800.2

送信ページ数は 10 ページです。

PATENT
REEL: 014892 FRAME: 0324

Cooley Godward LLP

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December 3, 2003

CHARLES J. BAIR

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VIA FEDERAL EXPRESS AND E-MAIL

Mr. Hitoshi Suzuki
Vice-Director, Finance Department
Sankyo Co., Ltd.
3-5-1, Nihonbashi Honcho
Chuo-ku, Tokyo 103-8426
JAPAN

Re: **Metabasis Therapeutics, Inc.**
Notice of Action by Written Consent of
Stockholders and Release of Security Interest

Dear Mr. Suzuki:

As counsel for Metabasis Therapeutics, Inc. (the "Company") and in connection with the Company's Series E Preferred Stock financing (the "Series E Financing"), the closing of which occurred on October 28, 2003, we enclose and provide, pursuant to Section 228(e) of the General Corporation Law of Delaware, a notice of action by written consent of the stockholders of the Company taken on October 22, 2003.

Also in connection with the Series E Financing, the Company amended and restated that certain Amended and Restated Investors' Rights Agreement, dated October 18, 2001 (the "Series D IRA"), between the Company and the investors listed on Exhibit A thereto. Enclosed is (i) a marked copy of the text of that certain Amended and Restated Investors' Rights Agreement, dated October 28, 2003 (the "Series E IRA"), between the Company and the investors listed on Exhibit A thereto, reflecting changes from the Series D IRA, (ii) a clean copy of the Series E IRA, executed by the requisite parties necessary to amend and restate the Series D IRA in accordance with its terms and (iii) a clean signature page to the Series E IRA (the "Signature Page"). As a courtesy, we are requesting that Sankyo Co., Ltd. ("Sankyo") execute the Signature Page to acknowledge the amendment and restatement of the Series D IRA in the form of the Series E IRA.

In addition, in connection with the Company's payment in full on October 31, 2003 of all principal and accrued interest under that certain Convertible Term Loan Agreement, dated June 30, 1999 (the "Loan Agreement"), between the Company and Sankyo, and the corresponding termination of the security interest granted pursuant to that certain Security and License Agreement, dated June 30, 1999 (the "Security Agreement"), between the Company and Sankyo, in accordance with Section 18 thereof, we are requesting that (i) Sankyo authorize the Company's filing of a UCC-3 Financing Statement Amendment (the "UCC-3") with the California Secretary of State terminating the effectiveness of the UCC-1 Financing Statement

Cooley Godward LLP

Mr. Suzuki
Sankyo Co., Ltd.
December 3, 2003
Page Two

relating to Sankyo's security interest in the Collateral (as defined in the Security Agreement) and (ii) Sankyo execute the enclosed release (the "Release") terminating the Notice of Security Interest filed with the United States Patent and Trademark Office relating to Sankyo's security interest in the Intellectual Property Collateral (as defined in the Security Agreement).

We would very much appreciate it if you would (i) execute the Signature Page, (ii) countersign this letter to indicate your authorization of the Company's filing of the UCC-3, (iii) execute the Release and (iv) return executed copies of the Signature Page, this letter and the Release as soon as possible to my attention at Cooley Godward LLP, 4401 Eastgate Mall, San Diego, CA 92121. In addition, please fax copies of the executed Signature Page, letter and Release to my attention at (858) 550-6420 as soon as possible. Please retain duplicates of the executed Signature Page, letter and Release for your records. Should you have any questions with respect to the foregoing, please do not hesitate to contact me at (858) 550-6142.

We greatly appreciate your prompt attention to this matter. Thank you in advance for your help.

Sincerely,

COOLEY GODWARD LLP

By: 
Charles J. Bair, Esq.

Acknowledged and agreed to as of December 29, 2003:

SANKYO CO., LTD.

By: 

Name: Masaru Kondo

Title: Director

Finance Department

Enclosures

- cc: Paul K. Laikind (w/o enclosures)
- Frederick T. Muto, Esq. (w/o enclosures)
- Jason L. Kent, Esq. (w/o enclosures)

SIGNATURE PAGE

SANKYO:

SANKYO COMPANY, LTD.

By: *Masaru Kanda*

Name: *Masaru Kanda*

Title: *Director*
Finance Department

[SIGNATURE PAGE TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT]

RELEASE

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