

PATENT ASSIGNMENT

Electronic Version v1.1
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT

CONVEYING PARTY DATA

Name	Execution Date
Russ Berrie and Company, Inc.	12/15/2004
Kids Line, LLC	12/15/2004
Sassy, Inc.	12/15/2004

RECEIVING PARTY DATA

Name:	California KL Holdings, Inc.
Street Address:	2601 Sequoia Drive
City:	South Gate
State/Country:	CALIFORNIA
Postal Code:	90280

PROPERTY NUMBERS Total: 7

Property Type	Number
Application Number:	10077511
Application Number:	10875648
Patent Number:	6447536
Patent Number:	6209133
Patent Number:	D357524
Patent Number:	D340512
Patent Number:	D388973

CORRESPONDENCE DATA

Fax Number: (213)896-6600
Correspondence will be sent via US Mail when the fax attempt is unsuccessful.
 Phone: 213-896-6769
 Email: kbernstein@sidley.com
 Correspondent Name: Sidley Austin Brown & Wood LLP
 Address Line 1: 555 W. Fifth Street, 40th Floor

CH \$280.00 10077511

Address Line 2: Attn: Kim Bernstein, Legal Assistant
Address Line 4: Los Angeles, CALIFORNIA 90013

NAME OF SUBMITTER:

Kim Bernstein, Legal Assistant

Total Attachments: 7
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PATENT SECURITY AGREEMENT

This PATENT SECURITY AGREEMENT (this "Patent Security Agreement") is made this 15th day of December, 2004, among the Grantors listed on the signature pages hereof (collectively, jointly and severally, "Grantors" and each individually "Grantor"), and CALIFORNIA KL HOLDINGS, INC., in its capacity as Collateral Agent for the Deferred Payout Sellers (together with its successors, "Collateral Agent").

WITNESSETH:

WHEREAS, pursuant to that certain Membership Interest Purchase Agreement (the "Acquisition Agreement"), dated December 15, 2004, among Russ Berrie and Company, Inc, a New Jersey corporation (the "Purchaser"), Kids Line, LLC, a Delaware limited liability company ("Company"), and the various sellers party thereto (including the Deferred Payout Sellers), the Purchaser agreed to purchase all of the outstanding membership interests and all the outstanding warrants to purchase membership interests of the Company;

WHEREAS, the members of the Deferred Payout Sellers are willing to enter into the Acquisition Agreement, but only upon the condition, among others, that Grantors shall have executed and delivered to Collateral Agent, for the benefit of the Deferred Payout Sellers, that certain Security Agreement of even date herewith (including all annexes, exhibits or schedules thereto, as from time to time amended, restated, supplemented or otherwise modified, the "Security Agreement");

WHEREAS, pursuant to the Security Agreement, Grantors are required to execute and deliver to Collateral Agent, for the benefit of the Deferred Payout Sellers, this Patent Security Agreement;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Grantor hereby agrees as follows:

1. **DEFINED TERMS.** All capitalized terms used but not otherwise defined herein have the meanings given to them in the Security Agreement.
2. **GRANT OF SECURITY INTEREST IN PATENT COLLATERAL.** Each Grantor hereby grants to Collateral Agent, for the benefit of the Deferred Payout Sellers, a continuing second priority security interest (junior only to Liens in favor of the Senior Agent and subject to Permitted Liens) in all of such Grantor's right, title and interest in, to and under the following, whether presently existing or hereafter created or acquired (collectively, the "Patent Collateral"):
 - (a) all of its Patents and Intellectual Property Licenses to which it is a party including those referred to on Schedule I hereto;
 - (b) all reissues, continuations or extensions of the foregoing; and
 - (c) all products and proceeds of the foregoing, including, without limitation, any claim by such Grantor against third parties for past, present or future infringement or dilution of any Patent or any Patent licensed under any Intellectual Property License.
3. **SECURITY AGREEMENT.** The security interests granted pursuant to this Patent Security Agreement are granted in conjunction with the security interests granted to Collateral Agent, for the benefit of the Deferred Payout Sellers, pursuant to the Security Agreement. Each Grantor hereby acknowledges and affirms that the rights and remedies of Collateral Agent with respect to the security interest in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

Patent Security Agreement

4. AUTHORIZATION TO SUPPLEMENT. If any Grantor shall obtain rights to 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 Patent Security Agreement shall automatically apply thereto. Grantors shall give prompt notice in writing to Collateral Agent with respect to any such new patent rights. Without limiting Grantors' obligations under this Section 4, Grantors hereby authorize Collateral Agent unilaterally to modify this Agreement by amending Schedule I to include any such new patent rights of Grantors. Notwithstanding the foregoing, no failure to so modify this Patent Security Agreement or amend Schedule I shall in any way affect, invalidate or detract from Collateral Agent's continuing security interest in all Collateral, whether or not listed on Schedule I.

5. COUNTERPARTS. This Patent Security Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all such separate counterparts shall together constitute but one and the same instrument. In proving this Patent Security Agreement in any judicial proceedings, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom such enforcement is sought. Any signatures delivered by a party by facsimile transmission or by e-mail transmission shall be deemed an original signature hereto.

6. TERMINATION. Upon the full performance of the obligations (other than indemnity obligations that are not then due and payable), the Collateral Agent shall execute, acknowledge and deliver to Grantor an instrument in writing in recordable form releasing the collateral pledge, grant, assignment, lien and security interest in the Patent Collateral under this Patent Security Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each Grantor has caused this Patent Security Agreement to be executed and delivered by its duly authorized officer as of the date first set forth above.

GRANTORS:


RUSS BERRIE AND COMPANY, INC.,
a New Jersey corporation

By: 

Name: John D. Wille

Title: Vice President and C.F.O.

KIDS LINE, LLC,
a Delaware limited liability company

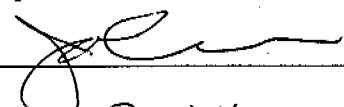
By:  _____

Name: John D. Wille

Title: Vice President, Treasurer and
Assistant Secretary

Signature Page to Patent Security Agreement

SASSY, INC.,
an Illinois corporation

By:  _____

Name: John D. Wille

Title: Vice President, Treasurer and
Assistant Secretary

Signature Page to Patent Security Agreement

ACCEPTED AND ACKNOWLEDGED BY:

CALIFORNIA KL HOLDINGS, INC.

as Collateral Agent

By: 

Name: Michael Levin

Title: Chief Financial Officer

Signature Page to Patent Security Agreement

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PATENT
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SCHEDULE I
to
PATENT SECURITY AGREEMENT

United States Patent Registrations by Sassy, Inc.:

Patent No.	Date	Description
Patent No. 6447536	09/10/2002	Pacifier with Teether Handle
Patent No. 6209133	04/03/2001	Integrated Bib/Teether Apparatus
Patent No. D357524	04/18/1995	Water Toy
Patent No. D340512	10/19/1993	Child's Training Toilet

United States Patent Applications by Sassy, Inc.:

Patent Application No.	Date	Description
App. No. 10077511	02/15/2002	Teething Pacifier
App. No. 10875648	06/24/2004	Foldable Bib Display Apparatus

United States Patent Registration by Kids Line, LLC:

Patent Application No.	Date	Description
Patent No. D388,973	01/13/1998	Bassinet, Carriage and Rocker