

01-19-2006

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



103160480

T

1.17.06

To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.

**1. Name of conveying party(ies)**

Generation II Orthotics Inc.

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

**3. Nature of conveyance/Execution Date(s):**

Execution Date(s) August 25, 2005

- ☐ Assignment ☐ Merger  
☒ Security Agreement ☐ Change of Name  
☐ Joint Research Agreement  
☐ Government Interest Assignment  
☐ Executive Order 9424, Confirmatory License  
☐ Other \_\_\_\_\_

**2. Name and address of receiving party(ies)**

Name: Kaupthing Bank HF.

Internal Address: \_\_\_\_\_

Street Address: Borgartun 19

City: 105 Reykjavik IC

State: \_\_\_\_\_

Country: Iceland Zip: \_\_\_\_\_

Additional name(s) & address(es) attached? ☐ Yes ☒ No

**4. Application or patent number(s):**

☐ This document is being filed together with a new application.

A. Patent Application No.(s)

B. Patent No.(s)

NIL

See document attached

Additional numbers attached? ☒ Yes ☐ No

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

Name: McMillan Binch Mendelsohn

Internal Address: \_\_\_\_\_

Street Address: 1000, Sherbrooke Street West

Suite 2700

City: Montreal

State: Quebec (Canada) Zip: H3A 3G4

Phone Number: 514-987-5025

Fax Number: 514-987-1213

Email Address: kiriakoula.hatzikiriakos@mcmbm.com

**6. Total number of applications and patents involved: 10**

**7. Total fee (37 CFR 1.21(h) & 3.41) \$US 400**

- ☐ Authorized to be charged by credit card  
☐ Authorized to be charged to deposit account  
☒ Enclosed  
☐ None required (government interest not affecting title)

**8. Payment Information**

a. Credit Card Last 4 Numbers \_\_\_\_\_  
Expiration Date \_\_\_\_\_

b. Deposit Account Number \_\_\_\_\_  
Authorized User Name 01/18/2006 LMUELLER 00000099 5277698  
01 FC:0021 400.00

**9. Signature:**

Kiriakoula Hatzikiriakos

Name of Person Signing

Signature

Date

Total number of pages including cover sheet, attachments, and documents: 8

Documents to be recorded (including cover sheet) should be faxed to (571) 273-0140, or mailed to:  
Mail Stop Assignment Recordation Services, Director of the USPTO, P.O.Box 1450, Alexandria, V.A. 22313-1450

PATENT  
REEL: 017458 FRAME: 0363

# **PATENT SECURITY AGREEMENT**

## **(Patents, Patent Applications and Patent Licenses)**

**WHEREAS**, GENERATION II ORTHOTICS INC., a New Brunswick company (herein referred to as the “**Grantor**”) owns, or in the case of licenses is a party to, the Patent Collateral (as defined below);

**WHEREAS**, (i) Ossur HF. (the “**Borrower**”), the Guarantors party thereto, the Lenders party thereto, and Kaupthing Bank HF., as Facility Agent and Security Agent, are parties to a Facilities Agreement (as amended from time to time, the “**Facilities Agreement**”), and (ii) the Borrower and Kaupthing Bank HF. are parties to the Bridge Loan Facility Agreement (as amended from time to time), each dated as of August 5, 2005; and

**WHEREAS**, pursuant to (i) the Facilities Agreement and (ii) a General Security Agreement dated as of August 25, 2005 (as amended and/or supplemented from time to time, the “**Security Agreement**”) among the Grantor and Kaupthing Bank HF., as Security Agent for the holders (“**Holders**”) from time to time of the Indebtedness (as defined therein) (in such capacity, together with its successors in such capacity, the “**Grantee**”), the Grantor has guaranteed certain obligations of the Borrower and secured such guarantee (“**Grantor’s Secured Guarantee**”) by granting to the Grantee for the benefit of such Holders a continuing security interest in the Collateral of the Grantor, including all right, title and interest of the Grantor in, to and under the Patent Collateral (as defined below);

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor grants to the Grantee, to secure the Grantor’s Secured Guarantee, a continuing security interest in all of the Grantor’s right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the “**Patent Collateral**”), whether now owned or existing or hereafter acquired or arising:

(i) each patent (as referenced in the Security Agreement) owned by the Grantor as to which registration has been made or applied for with the Canadian Intellectual Property Office and/or the United States Patent and Trade-mark Office, including, without limitation, each patent registration and application referred to in Schedule 1 hereto;

(ii) each patent license to which the Grantor is a party relating to any patent specified in foregoing clause (i), including, without limitation, each patent license identified in Schedule 1 hereto; and

(iii) all proceeds of and revenues from the foregoing, including, without limitation, all proceeds of and revenues from any claim by the Grantor against third parties for past, present or future infringement of any

#755401.02

patent owned by the Grantor and specified in foregoing clause (i) (including, without limitation, any patent identified in Schedule 1 hereto) and all rights and benefits of the Grantor under any such patent license specified in foregoing clause (ii) (including, without limitation, any patent license identified in Schedule 1 hereto);

*provided* that the following property is excluded from the foregoing security interests: any general intangibles or other rights arising under any contract, instrument, license or other document, in each such case if (but only to the extent that) the grant of a security interest therein would constitute a material violation of a valid and effective restriction in favor of a third party, unless and until all required consents shall have been obtained. The Grantor shall use all commercially reasonable efforts to obtain any such required consent that is reasonably obtainable.

The Grantor irrevocably constitutes and appoints the Grantee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full power and authority in the name of the Grantor or in the Grantee's name, from time to time, in the Grantee's discretion, so long as any Event of Default shall have occurred and be continuing, to take with respect to the Patent Collateral any and all appropriate action which the Grantor might take with respect to the Patent Collateral and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Patent Security Agreement and to accomplish the purposes hereof.

Except to the extent expressly permitted in the Security Agreement or the Facilities Agreement, the Grantor agrees not to sell, license, exchange, assign or otherwise transfer or dispose of, or grant any rights with respect to, or mortgage or otherwise encumber, any of the Patent Collateral.

The foregoing security interest is granted in conjunction with the security interests granted by the Grantor to the Grantee pursuant to the Security Agreement. The Grantor acknowledges and affirms that the rights and remedies of the Grantee with respect to the security interest in the Patent Collateral 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.

**[SIGNATURES ON THE NEXT PAGE]**

#755401.02

IN WITNESS WHEREOF, the Grantor has caused this Patent Security Agreement to be duly executed by its officer thereunto duly authorized as of the 25 day of August, 2005

GENERATION II ORTHOTICS INC.

By: Hjortur Pálsson  
Name: HJORTUR PÁLSSON  
Title: AUTHORIZED SIGNATORY

Acknowledged:

KAUPTHING BANK HF.,  
as Security Agent

By: Ag. Pálsson A. Ottarsson Signed before me 16.9.05  
Name: BOREI DUEGO ASTHODUKOTHIRSD  
Title: MD CORP. BANKING MANAGER  
CORPORATE  
BANKING



**SCHEDULE 1  
to Patent Security Agreement**

**GENERATION II ORTHOTICS INC.**

**CANADA**

**PATENTS AND DESIGN PATENTS**

<u>Patent No.</u>	<u>Issued</u>	<u>Expiration</u>	<u>Title</u>
CA 2,153,260 PCT/CA93/00542	July 24, 2001		KNEE BRACE
CA 2,171,022 PCT/CA94/00238	July 27, 1999		ANTIFRICTION MECHANICAL JOINT FOR AN ORTHOPEDIC KNEE BRACE
CA 2,170,058 PCT/CA95/00226	Feb. 2, 1999		PATELLA STABILIZER
CA 2,172,361 PCT/CA95/00471	July 20, 1999		MEDIAL COLLATERAL LIGAMENT BRACE
CA 2,001,287	March 1, 1994		S T S (SUB-TALAR STABILIZER) ANKLE BRACE
CA 1,017,641	Sep. 20, 1977		MECHANICAL JOINT FOR AN ORTHOPEDIC BRACE OR PROSTHESIS

**PATENT APPLICATIONS**

<u>Case No.</u>	<u>Serial No.</u>	<u>Date</u>	<u>Filing Title</u>
CA 2401895 PCT/CA2001/000287		March 6, 2001	JOINT FOR A KNEE BRACE INCORPORATING A LOCKING
CA 2,140,043		Jan. 4, 1995	LEG ANGLE MEASUREMENT GAUGE

**PATENT LICENSES**

<u>Name</u>	<u>of Parties</u>	<u>Date</u>	<u>of Subject</u>
-------------	-------------------	-------------	-------------------

#755401.02

**Agreement**

**Licensor/Licensee**

**Agreement**

**Matter**

#755401.02

**SCHEDULE 1**  
**to Patent Security Agreement**

**GENERATION II ORTHOTICS INC.**

**UNITED STATES**

**PATENTS AND DESIGN PATENTS**

<b><u>Patent No.</u></b>	<b><u>Issued</u></b>	<b><u>Expiration</u></b>	<b><u>Title</u></b>
5,277,698			KNEE BRACING METHOD
5,302,169			POST OPERATIVE KNEE BRACE
5,400,806			POST OPERATIVE KNEE BRACE AND METHOD FOR ITS USE
5,356,370			ANTIFRICTION MECHANICAL JOINT FOR AN ORTHOPEDIC KNEE BRACE
5,457,891			LEG ANGLE MEASUREMENT GAUGE
5,562,605			MEDIAL COLLATERAL LIGAMENT BRACE
5,554,105			PATELLA STABILIZER
5,562,605			MEDIAL COLLATERAL LIGAMENT BRACE
5,797,864			MULTI-PURPOSE BRACE
6,746,414			JOINT FOR A KNEE BRACE INCORPORATING A LOCKING MECHANISM

**PATENT APPLICATIONS**

<b><u>Case No.</u></b>	<b><u>Serial No.</u></b>	<b><u>Date</u></b>	<b><u>Filing Title</u></b>
------------------------	--------------------------	--------------------	----------------------------

#755401.02

**PATENT**  
**REEL: 017458 FRAME: 0369**

**PATENT LICENSES**

<u>Name Agreement</u>	<u>of</u>	<u>Parties Licensor/Licensee</u>	<u>Date Agreement</u>	<u>of</u>	<u>Subject Matter</u>
Non-Exclusive License Settlement Agreement	and	<u>Licensors:</u> Generation II Orthopedics Inc. and Generation II USA Inc.  <u>Licensees:</u> DJ Orthopedics, Inc. and DJ Orthopedics, LLC	May 21, 2003		License of patents 5,302,169 and 5,400,806

#755401.02