

Form PTO-1595 (Rev. 07/05)
OMB No. 0651-0027 (exp. 6/30/2008)

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

RECORDATION FORM COVER SHEET PATENTS ONLY

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)

FUNCTIONAL NEUROSCIENCE, INC.
178 Dunvegan Road
Toronto, Ontario M5P 2P2
CANADA

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

2. Name and address of receiving party(ies)

Name: ADVANCED NEUROMODULATION SYSTEMS, INC.

Internal Address: Legal Department

Street Address: 6901 Preston Road

City: Plano

State: Texas

Country: USA Zip: 75024

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

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

Execution Date(s) August 8, 2005

- Assignment Merger
- Security Agreement Change of Name
- Joint Research Agreement
- Government Interest Assignment
- Executive Order 9424, Confirmatory License
- Other _____

4. Application or patent number(s):

This document is being filed together with a new application.

A. Patent Application No.(s)
11/469,669

B. Patent No.(s)

Additional numbers attached? Yes No

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

Name: Christopher S. L. Crawford

Internal Address: Advanced Neuromodulation Systems, Inc.
Legal Department

Street Address: 6901 Preston Road

City: Plano

State: TX Zip: 75024

Phone Number: (972) 309-8006

Fax Number: _____

Email Address: chris.s.crawford@ans-medical.com

6. Total number of applications and patents involved: 1

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 40.00

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

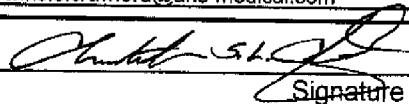
8. Payment Information

a. Credit Card Last 4 Numbers _____
Expiration Date _____

b. Deposit Account Number 50-3906

Authorized User Name Beverly Sparkman

9. Signature:


Signature

Jan. 31, 2007
Date

Christopher S. L. Crawford
Name of Person Signing

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

CH \$40.00 503906 11469669

PATENT

DEED OF ASSIGNMENT FOR RECORDATION

Functional Neuroscience, Inc. ("FNI") has entered into certain assignment and royalty agreement with Advanced Neuromodulation Systems, Inc. ("ANS") made effective on October 7, 2003 (the "Agreement"), under which, and subject to the terms and conditions of the Agreement, it has sold, assigned and transferred to ANS its entire, worldwide rights, title and interest in and to Technology, and in and to all Patents related thereto, and all rights of priority resulting from the filing of any Patent Application, which includes all reissues, divisions, continuations, continuations-in-part, and extensions of the Patents, all rights of action arising from the Patents, all claims for damages by reason of past and future infringement of the Patents and the right to sue and collect damages for such infringement (the "Assigned Rights");

WHEREAS, FNI has agreed to execute this Deed of Assignment for the sole purpose of recording the assignment of the Assigned Rights before the United States Patents and Trademarks Office;

WHEREAS, ANS and FNI agree to incorporate by reference into this document of assignment, all the terms and conditions agreed between them under the Agreement;

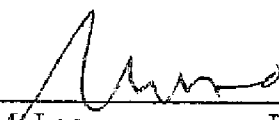
WHEREAS ANS and FNI agree that in the event of any inconsistency between the terms of this Deed of Assignment and the Agreement, the Agreement will control.

1. FNI hereby has sold, assigned and transferred to Advanced Neuromodulation Systems, Inc., its successors, assigns and legal representatives, FNI's entire, worldwide rights, title and interest in and to the Assigned Rights, to be held and enjoyed by the ANS for its own use and benefit and for its successors and assigns as the same would have been held by me had this assignment not been made.


2. FNI hereby authorizes and requests the United States Commissioner of Patents and Trademarks to issue all patents for the Technology listed in the Agreement, or Patents resulting therefrom, insofar as my interest is concerned, to ANS. This assignment is effective as of the Effective Date of the Agreement.

TECHNOLOGY: This document relates to those inventions set forth in the Agreement including those described and claimed in United States Application Nos. 60/511,268; 60/550,164; 10/872,277; and 10/872,271

FUNCTIONAL NEUROSCIENCE, INC.



 Andres M. Lozano President and CEO



 Date

PATENT

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APPENDIX 2

FORM OF ASSIGNMENT

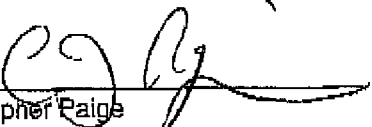
UNIVERSITY HEALTH NETWORK, whose full postal address is 610 University Ave, 7-504, Toronto, Ontario, Canada, M5G 2M9, in consideration of the sum of TWO DOLLARS (\$2.00), the receipt and sufficiency of which are hereby acknowledged, do hereby sell and assign to **FUNCTIONAL NEUROSCIENCE INC.**, whose full post office address is 178 Dunvegan Road, Toronto, Ontario, Canada, M5P 2P2, all of its worldwide right, title and interest in and to:

Surgical treatment of Depression, Mood disorders and Anxiety Disorders.
Deep brain Stimulation and drug infusion for depression, mood and anxiety disorders


as more fully described in the attached Invention Disclosure Form, and subject to the Assignment Agreement, to all of its corresponding right, title and interest in and to any patent application which may be made and any patent which may issue therefor.

UNIVERSITY HEALTH NETWORK

FUNCTIONAL NEUROSCIENCE INC.



Dr. Christopher Raige
Vice President Research



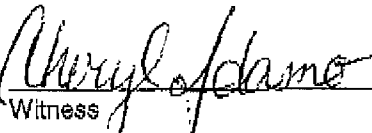
Dr. Andres Lozano
President and CEO

AUG 18 / 03


Date

Aug 21 2003

Date



Witness



Witness


ASSIGNMENT

WHEREAS, **Dr. Andres Lozano**, whose full post office addresses are **178 Dunvegan Road, Toronto, Ontario, Canada, M5P 2P2** respectively, have made an invention relating to **Surgical treatment of Depression, Mood disorders and Anxiety Disorders**.

AND WHEREAS, the **UNIVERSITY HEALTH NETWORK**, whose full office address is, **610 University Avenue, Toronto, Ontario, M5G 2M9, Canada**, has acquired from **Dr. Andres Lozano** the whole of their respective right, title and interest in and to the invention for all countries, and in and to their interest in any Letters Patent of any country, that may be obtained therefor;

NOW THEREFORE, for the sum of One Dollar and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each of **Dr. Andres Lozano** confirms that he has sold, assigned and transferred and by these presents does hereby sell, assign and transfer to **UNIVERSITY HEALTH NETWORK**, its successors and assigns, his whole right title and interest for all countries, in and to the invention as fully set forth and described in said patents, and in and to any other Letters of Patent of any country that may be obtained therefor;


EXECUTED at Toronto, Ontario, Canada, this 15th day of August, 2003.




Dr. Andres Lozano



Witness



University Health Network
Bob McArthur
Director, Research Business Development



Witness

Assignment Agreement

DR. HELEN S. MAYBERG, a Research Scientist at the Rotman Research Institute of Baycrest whose full post office address is Rotman Research Institute, Baycrest Centre for Geriatric Care, 3560 Bathurst Street, Toronto, Ontario, Canada M6A 2E1 ("**Mayberg**").

- AND -

FUNCTIONAL NEUROSCIENCES, INC., a corporation incorporated under the laws of the Province of Ontario whose full post office address is 178 Dunvegan Road, Toronto, Ontario, Canada M5P 2P2 ("**Functional**").

HEREBY AGREE AS FOLLOWS:

1. Mayberg hereby sells and assigns to Functional, all its world-wide right, title and interest in and to the invention that is currently the subject of a Canadian patent application specified as

Application No: 2,432,810

Filed: 2003/06/19

Title of Invention: "Method of Treating Depression, Mood Disorders and Anxiety Disorders by Brain Infusion" (the "**Invention**").

2. "Royalties" under this Agreement means such amounts received by Functional from the development and commercial exploitation of the Invention including, without limitation, any future versions or revisions of the Invention and any permitted derivative works or improvements.
3. Functional hereby agrees to pay Mayberg ██████████ of all Revenues from Royalties (with deduction of potential withholding taxes) earned world-wide which accrue to it as a result of the Invention.
4. Functional shall submit to Mayberg no later than January 31st of each year,
 - (a) a written report setting out the Royalties earned and Withholding taxes paid by Functional from the Invention in the preceding calendar year; and
 - (b) payment owing to Mayberg under section 3 from Royalties received by Functional in the preceding calendar year
5. Notwithstanding section 1, Functional hereby grants Mayberg a perpetual royalty-free license to use the Invention for research, scholarly publication and education or other non-commercial use.

Appendix 4

PATENT

REEL: 018848 FRAME: 0217

6. Mayberg represents and warrants that:
- (a) she an owner of and has not assigned any of her rights, title or interest in or to the Invention to any third party;
 - (b) she is under no obligation to grant any license or other rights in the Invention to any third party, except as describe in section 5; and
 - (c) there are no outstanding liens on, or encumbrances of the Invention.
7. This Agreement is binding upon the Parties' respective heirs, executors, administrators, personal representatives, successors and assigns.
8. The Parties shall execute and deliver such other documents or instruments as may be necessary or desirable to give further effect to the provisions of this Agreement and the Policy.

Agreed to this 8 October, 2003.

Witness

DR. HELEN S. MAYBERG

FUNCTIONAL NEUROSCIENCES, INC.

By:
Authorized Signing Officer

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10/07/03 15:59 FAX 416 785 4229

HELEN S MAYBERG

ASSIGNMENT AGREEMENT

BAYCREST CENTRE FOR GERIATRIC CARE, a charitable corporation formed under the laws of the Province of Ontario, whose full post office address is 3560 Bathurst Street, Toronto, Ontario, Canada M6A 2E1, ("Baycrest")

AND

DR. HELEN S. MAYBERG, a Research Scientist at the Rotman Research Institute of Baycrest whose full post office address is Rotman Research Institute, Baycrest Centre for Geriatric Care, 3560 Bathurst Street, Toronto, Ontario, Canada M6A 2E1 ("Dr. Mayberg")

HEREBY AGREE AS FOLLOWS:

1. Baycrest hereby sells and assigns to, all its worldwide right, title and interest in and to the invention that is currently the subject of a Canadian patent application specified as

Application No: 2,432,810

Filed: 2003/06/19

Title of Invention: "Method of Treating Depression, Mood Disorders and Anxiety Disorders by Brain Infusion"

(the "Invention").

2. Dr. Mayberg acknowledges the application of the Intellectual Property Policy Of Baycrest (Policy # VII-500) (the "Policy") to this Agreement and the Invention.

3. "Royalties" under this Agreement means such amounts received by Dr. Mayberg from the development and commercial exploitation of the Invention including, without limitation, any future versions or revisions of the Invention and any permitted derivative works or improvements.

"Expenses" under this Agreement means any costs and expenses incurred in regard to (i) the identifying, evaluating, marketing and licensing of the Invention, and (ii) the patenting or otherwise protecting the intellectual property rights of the Invention, including, without restriction, out-of-pocket costs, legal fees and disbursements, reasonably allocatable to the Invention.

"Net Revenues" under this Agreement means Royalties less Expenses.

4. Dr. Mayberg hereby agrees to pay Baycrest [REDACTED] of all Net Revenues from Royalties earned worldwide which accrue to her as a result of the Invention.

5. Dr. Mayberg shall submit to Baycrest no later than January 31st of each year,

- (a) a written report setting out the Royalties, Expenses, and Net Royalties earned by Dr. Mayberg from the Invention in the preceding calendar year, and
- (b) payment owing to Baycrest under section 4 from Royalties received by Dr. Mayberg in the preceding calendar year

Appendix 5

PATENT

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HELEN S MAYBERG

02

6. Notwithstanding section 1, Dr. Mayberg hereby grants BCGC a perpetual royalty-free, non-exclusive, worldwide, non-transferable license to use the Invention solely for research, scholarly publication, and educational or other non-commercial use.

7. Pursuant to the Policy, Dr. Mayberg agrees that no publication or public disclosure, other than a publication or disclosure for academic purposes, by Dr. Mayberg of the Invention shall make reference to Baycrest unless Baycrest provides permission in writing.

8. Obligations under this Agreement shall continue notwithstanding that Dr. Mayberg may leave the employment of Baycrest.

9. This Agreement is binding upon the Parties' respective heirs, executors, administrators, personal representatives, successors and assigns. Baycrest may assign its rights under this Agreement without the consent of Dr. Mayberg.

10. The Parties shall execute and deliver such other documents or instruments as may be necessary or desirable to give further effect to the provisions of this Agreement and the Policy.

Agreed to this October 6, 2003.

BAYCREST CENTRE FOR GERIATRIC CARE

PER: *Stephen W. Herbert*
Stephen W. Herbert
President and Chief Executive Officer

PER: *Laurie A. Harrison*
Laurie A. Harrison
Vice-President, Finance and Administration

Witness
Witness

DR. HELEN S. MAYBERG
DR. HELEN S. MAYBERG

Appendix 5

PATENT