

02-05-2007



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U.S. DEPARTMENT OF COMMERCE  
Patent and Trademark Office

2007 FEB -2 AM 11:41

RE

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

FINANCE SECTION

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

Scriptel Corporation, an Ohio corporation

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

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

Execution Date(s) December 28, 2006 and 8/15/03

☐ 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: The Huntington National Bank

Internal Address: Commercial Lending Department

Street Address: 41 South High Street

City: Columbus

State: Ohio

Country: USA Zip: 43215

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

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

A. Patent Application No.(s)

11/598500

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

B. Patent No.(s)

See attached Schedule A

Additional numbers attached? ☒ Yes ☐ No

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

Name: Marie A. Malloy

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

Schottenstein, Zox & Dunn Co., LPA

Street Address: 250 West Street

City: Columbus

State: Ohio Zip: 43215

Phone Number: 614-462-5011

Fax Number: 614-222-3459

Email Address: \_\_\_\_\_

**6. Total number of applications and patents involved:** 17

**7. Total fee (37 CFR 1.21(h) & 3.41) \$ 680.-**

☐ 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 503259

Authorized User Name Barbara Bacon

**9. Signature:**

Signature

December 28, 2006  
Date

Michael L. Price, as Vice President on behalf of The Huntington National Bank

Name of Person Signing

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

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

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**SCHEDULE A****Patents**

PATENT NUMBER	COUNTRY	ISSUE DATE	Title [Docket Number]
D,501,853	United States	02-15-05	Hand-Held Pen-Based Computer
D,501,474	United States	02-01-05	Hand-Held Pen-Based Computer
D,496,658	United States	09-28-04	Hand-Held Pen-Based Computer
6,678,869	United States	01-13-04	Delay Calculation Method and Design Method of a Semiconductor Integrated Circuit
4,853,493	United States	08-01-89	Electrographic Apparatus [031/RDT]
4,707,572	United States	11-17-87	Tracer for Electrographic Surfaces [032/Cursor]
4,707,493	United States	11-17-87	19-EPI-Dianemycin as an Anticoccidial and Antibacterial Agent
4,695,680	United States	09-22-87	Stylus for Position Responsive Apparatus Having Electrographic Applications [028/Stylus]
4,678,869	United States	07-07-87	Position Responsive Apparatus, System and Method Having Electrographic Application [021/Opaque]
4,665,283	United States	05-12-87	Electrographic Apparatus [022/Waffle]
4,650,926	United States	03-17-87	Electrographic System and Method [013/Calibration]
4,649,232	United States	03-10-87	Electrographic Apparatus [019/SPD]
4,600,807	United States	07-15-86	Electrographic Apparatus [014/SPD]
4,523,654	United States	06-18-85	Electrographic System [007/SPX]
4,456,787	United States	06-26-84	Electrographic System and Method [004/SPX]
4,055,726	United States	10-25-77	Electrical Position Resolving by Zero-Crossing Delay [016/Turner]
3,699,439	United States	10-17-72	Electrical Probe-Position Responsive Apparatus and Method [017/Turner]

# PATENT COLLATERAL SECURITY AGREEMENT

THIS PATENT COLLATERAL SECURITY AGREEMENT is entered into as of December 28, 2006 by and between Scriptel Corporation, an Ohio corporation, having its principal office at 4153 Arlingate Plaza, Columbus, Ohio 43228 (the "Grantor"), and The Huntington National Bank, a national banking association, having its principal office at 41 South Street, Columbus, Ohio 43215 (the "Lender").

## Background Information

A. Lender and Grantor are parties to a certain Amended and Restated Credit Agreement dated of even date herewith (as from time to time amended the "Credit Agreement"), which was given as a replacement for that certain Credit Agreement dated as of August 15, 2003 between the Lender and Grantor, successor to Acquisition Group, Inc., an Ohio corporation ("SAG"), as from time to time amended (as amended, the "Original Credit Agreement"), pursuant to which Lender has agreed to provide certain financial accommodations to Grantor.

B. Grantor is entering into this Patent Collateral Security Agreement (as it may be amended, modified, supplemented, extended, restated or replaced from time to time, the "Security Agreement") in order to induce Lender to continue to extend credit from time to time to Grantor and to secure Grantor's obligations under the Loan Documents (as defined in the Credit Agreement) and otherwise with respect to the Loans made thereunder (collectively, the "Obligations").

## Provisions

NOW, THEREFORE, as an inducement to and in consideration of Lender providing such credit facilities, the mutual obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor and Lender do hereby agree as follows:

1. Defined Terms. Terms defined in the Ohio Uniform Commercial Code which are not otherwise defined in this Security Agreement are used herein as defined in the Ohio Uniform Commercial Code as in effect from time to time (the "Code"). All capitalized terms used herein which are not otherwise defined herein shall have the meanings given to them in the Credit Agreement and the following terms shall have the following meanings, unless the context otherwise requires:

"Collateral" shall have the meaning assigned to it in Section 2 of this Security Agreement.

"Licenses" shall mean the patent license agreements of Grantor designated on Schedule B hereto, as any of the same may from time to time be amended, modified or supplemented.

"Patents" shall mean all right, title and interest in and to the patent applications and patents shown in the attached Schedule A and those patents which are hereafter obtained or acquired by Grantor and all registrations, applications and recordings thereof, including, without limitation, all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof, and all applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, or any State thereof, or any foreign country, all whether now owned or hereafter acquired by Grantor.

"Proceeds" shall have the meaning assigned to it under Section 9-102(a)(64) of the Code, and in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guarantee payable to Grantor from time to time with respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

2. Grant of Security Interest. As collateral security for the prompt payment of the Obligations, Grantor hereby grants and conveys to Lender a security interest in and to (a) the entire right, title and interest of Grantor in and to the Patents, including the registrations and applications appurtenant thereto, listed in Schedule A hereto (as the same may be amended pursuant hereto from time to time), and in and to any and all patents, and registrations and applications appurtenant thereto, hereafter acquired or filed by Grantor, including without limitation all renewals thereof, all proceeds of infringement suits, the rights to sue for past, present and future infringements and all rights corresponding thereto and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof and (b) all of Grantor's right, title and interest in, to and under the following:

(i) all Licenses;

(ii) all accounts, contract rights and general intangibles arising under or relating to each and every License (including, without limitation, (A) all moneys due and to become due under any License, (B) any damages arising out of or for breach or default in respect of any such License, (C) all other amounts from time to time paid or payable under or in connection with any such License and (D) the right of Grantor to terminate any such License or to perform and to exercise all remedies thereunder); and

(iii) to the extent not otherwise included, all Proceeds, goodwill and products of any or all of the foregoing. All of the property referred to in this paragraph 2 is hereafter collectively called the "Collateral".

3. Representations and Warranties. Grantor covenants and warrants that:

(a) The Patents are subsisting and have not been adjudged invalid or unenforceable in whole or in part;

(b) To the best of Grantor's knowledge, each of the Patents is valid and enforceable;

(c) There is no outstanding claim that the use of any of the Patents violates the rights of any third person;

(d) Grantor is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each of the Patents, free and clear of any Liens (including without limitation pledges, assignments, licenses, registered user agreements and covenants by Grantor not to sue third persons), except for the Licenses disclosed on Schedule B attached hereto and permitted by the Credit Agreement;

(e) Grantor has the right to enter into this Security Agreement and perform its terms;

(f) Grantor has used, and will continue to use for the duration of this Security Agreement, proper statutory notice, where appropriate, in connection with its use of the Patents; and

(g) Grantor has used, and will continue to use for the duration of this Security Agreement, consistent standards of quality in its manufacture of products sold under the Patents.

4. Right of Inspection. Grantor hereby grants to Lender and its employees and agents the right to visit Grantor's plants and facilities which manufacture, inspect or store products sold under any of the Patents, and to inspect the products and quality control relating thereto at reasonable times during regular business hours. Grantor shall use its best efforts to do any and all acts required by Lender to ensure Grantor's compliance with paragraph 3(g) above.

5. New Patents.

(a) If, before the Obligations shall have been irrevocably paid in full, Grantor shall obtain rights to any new Patents or become entitled to the benefit of any patent application or patent for any reissue, division, continuation, renewal, extension, or continuation-in-part of any Patent or any improvement on any Patent, the provisions of paragraph 2 shall automatically apply thereto and Grantor shall give Lender prompt written notice thereof.

(b) Grantor grants Lender a power-of-attorney, irrevocable so long as the Credit Agreement is in existence, to modify this Security Agreement by amending Schedule A to include any future Patents, including Patent registrations or applications appurtenant thereto covered by this Security Agreement.

6. Covenants. Grantor covenants and agrees with Lender that from and after the date of this Security Agreement and until the Obligations are fully satisfied:

(a) Further Documentation; Pledge of Instruments. At any time and from time to time, upon the written request of Lender, Grantor will promptly and duly execute and deliver any and all such further instruments and documents and take such further action as Lender may reasonably deem desirable in obtaining the full benefits of this Security Agreement and of the rights and powers herein granted. Grantor also hereby authorizes Lender to file any such financing or continuation statement with respect to the Collateral. If any amount payable under or in connection with any of the Collateral shall be or become evidenced by any promissory note or other instrument, such note or instrument shall be immediately pledged to Lender hereunder, duly endorsed in a manner satisfactory to Lender.

(b) Maintenance of Patents. Grantor will not do any act, or omit to do any act, whereby the Patents or any registration or application appurtenant thereto, may become abandoned, invalidated, unenforceable, avoided, avoidable, or will otherwise diminish in value, and shall notify Lender immediately if it knows of any reason or has reason to know of any ground under which this result may occur. Grantor shall take appropriate action at its expense to halt the infringement of the Patents and shall properly exercise its duty to control the nature and quality of the goods offered by any licensees in connection with the Licenses.

(c) Indemnification. (A) Grantor assumes all responsibility and liability arising from the use of the Patents, and Grantor hereby indemnifies and holds Lender harmless from and against any claim, suit, loss, damage or expense (including reasonable attorneys' fees) arising out of Grantor's operations of its business from the use of the Patents. (B) In any suit, proceeding or action brought by Lender or any Lender under any License for any sum owing thereunder, or to enforce any provisions of such License, Grantor will indemnify and keep Lender harmless from and against all expense, loss or damage suffered by reason of any defense, set off, counterclaim, recoupment or reduction or liability whatsoever of the obligee thereunder, arising out of a breach of Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from Grantor, and all such obligations of Grantor shall be and remain enforceable against and only against Grantor and shall not be enforceable against Lender.

(d) Limitation of Liens on Collateral. Grantor will not create, permit or suffer to exist, and will defend the Collateral against and take such other action as is necessary to remove any Lien in or to the Collateral, and will defend the right, title and interest of Lender in and to any of Grantor's rights under any License and to the Proceeds thereof against the claims and demands of all persons whomever.

(e) Limitations on Modifications of Licenses. Grantor will not amend, modify, terminate or waive any provision of any License in any manner which might materially adversely affect the value of such License or the Patents as Collateral.

(f) Notices. Grantor will advise Lender promptly, in reasonable detail, (i) of any Lien or claim made or asserted against any of the Collateral, (ii) of any material change in the composition of the Collateral and (iii) of the occurrence of any other event which would have a material adverse effect on the value of any of the Collateral or on the security interests created hereunder.

(g) Limitation on Further Uses of Patents. Except as permitted by the Credit Agreement, Grantor will not assign, sell, mortgage, lease, transfer, pledge, hypothecate, grant a security interest in or other Lien upon, encumber, grant an exclusive or non-exclusive license, or otherwise dispose of any of the Collateral, without prior written consent of Lender.

(h) Exercise of Rights; Delivery of Notices. Grantor shall (i) exercise promptly and diligently each and every material right which it may have under each License (other than any right of termination) and (ii) deliver to Lender a copy of each material demand, notice or document sent or received by it relating in any way to any License or Patent.

7. Lender's Appointment as Attorney-in-Fact.

(a) Grantor hereby irrevocably constitutes and appoints Lender and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of Grantor and in the name of Grantor or in its own name, from time to time in Lender's discretion, for the purposes of carrying out the terms of this Security Agreement, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Security Agreement and, without limiting the generality of the foregoing, hereby gives Lender the power and right, on behalf of Grantor, to do the following:

(i) Upon the occurrence and continuance of a Default, to ask, demand, collect, receive and give acquittances and receipts for any and all moneys due and to become due under any License and, in the name of Grantor or its own name or otherwise, to take possession of and endorse and collect any checks, drafts, notes, acceptances or other instruments for the payment of moneys due under any License and to file any claim or to take any other action or proceeding in any court of law or equity or otherwise deemed appropriate by Lender for the purpose of collecting any and all such moneys due under any License whenever payable;

(ii) To pay or discharge taxes and Liens levied or placed on or threatened against the Collateral, to effect any repairs or any insurance called for by the terms of this Security Agreement and to pay all or any part of the premiums therefor and the costs thereof; and

(iii) Upon the occurrence and continuance of a Default, (A) to direct any party liable for any payment under any of the Licenses to make payment of any and all moneys due and to become due thereunder directly to Lender or as Lender shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any part thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against Grantor with respect to any Collateral; (E) to settle, compromise, or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as Lender may deem appropriate; and (F) generally to sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though Lender were the absolute owner thereof for all purposes, and to do, at Lender's option all acts and things which

Lender deems necessary to protect, preserve or realize upon the Collateral and Lender's security interest therein, in order to effect the intent of this Security Agreement, all as fully and effectively as Grantor might do.

(b) This power of attorney is a power coupled with an interest and shall be irrevocable. Notwithstanding the foregoing, Grantor further agrees to execute any additional documents which Lender may require in order to confirm this power of attorney, or which Lender may deem necessary to enforce any of its rights contained in this Security Agreement.

(c) The powers conferred on Lender hereunder are solely to protect its interests in the Collateral and shall not impose any duty upon it to exercise any such powers. Lender shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to Grantor for any act or failure to act, except for its own gross (not mere) negligence or willful misconduct.

(d) Grantor also authorizes Lender to execute, in connection with the sale provided for in paragraph 10(b) of this Security Agreement, any endorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral.

8. Execution of Power of Attorney. Concurrently with the execution and delivery hereof, Grantor shall execute and deliver to Lender, in the form of Exhibit I hereto, ten (10) originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Patents pursuant to paragraph 7 hereof.

9. Performance by Lender of Grantor's Obligations. If Grantor fails to perform or comply with any of its agreements contained herein and Lender, as provided for by the terms of this Security Agreement, shall itself perform or comply, or otherwise cause performance or compliance, with such agreement, the expenses of Lender incurred in connection with such performance or compliance shall be payable by Grantor to Lender on demand and shall constitute Obligations secured hereby.

10. Remedies, Rights Upon Default.

(a) If a Default shall occur and be continuing:

(i) All payments received by Grantor under or in connection with any of the Collateral shall be held by Grantor in trust for Lender, shall be segregated from other funds of Grantor and shall forthwith upon receipt by Grantor, be turned over to Lender, in the same form as received by Grantor (duly indorsed by Grantor to Lender, if required); and

(ii) Any and all such payments so received by Lender (whether from Grantor or otherwise) may, in the sole discretion of Lender, be held by Lender as collateral security for and/or then or at any time thereafter applied in whole or in part by Lender against all or any part of the Obligations in such order as Lender shall elect. Any balance of such payments held by Lender and remaining after payment in full of all the Obligations shall be paid over to Grantor or to whomsoever may be lawfully entitled to receive the same.



(b) If any Default shall occur and be continuing, Lender may exercise in addition to all other rights and remedies granted to it in this Security Agreement and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the Code. Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of the Collateral are insufficient to pay all amounts to which Lender is entitled. Grantor shall also be liable for the reasonable fees of any attorneys employed by Lender to collect any such deficiency and also as to any reasonable attorney's fees incurred by Lender with respect to the collection of any of the Obligations and the enforcement of any of Lender's respective rights hereunder.

11. Termination. At such time as the Obligations are irrevocably satisfied in full and the Credit Agreement is irrevocably terminated, this Security Agreement shall terminate and Lender shall execute and deliver to Grantor, at Grantor's expense, all such releases, deeds, assignments and other instruments as may be necessary or proper to re-vest in Grantor full title to the Patents, subject to any disposition thereof which may have been made by Lender pursuant hereto.

12. Notices. Any notice to Lender or Grantor under this Security Agreement shall be given in the manner and to the parties designated in the Guaranty.

13. No Waiver. No course of dealing between Grantor and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Credit Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

14. Cumulative Remedies. All of Lender's rights and remedies with respect to the Collateral, whether established hereby or by the Credit Agreement, or by any other agreements or by law, shall be cumulative and may be exercised singularly or concurrently.

15. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

16. No Modification Except in Writing. Except as provided in paragraphs 5 and 7, no amendment or waiver of any provision of this Security Agreement shall be effective unless the same shall be in writing executed by the parties hereto.

17. Successors and Assigns. The terms and provisions of this Security Agreement shall be binding upon and inure to the benefit of Grantor and Lender and their respective successors and assigns (including all Persons who become bound as a debtor to this Security Agreement), except that Grantor shall not have the right to assign its rights or delegate its obligations under this Security Agreement or any interest herein, without the prior written consent of Lender.

18. Governing Law. This Security Agreement shall be governed by, and construed in accordance with, the internal laws (and not the law of conflicts) of the State of Ohio, but giving effect to federal laws applicable to national banks.

19. Headings. The title of and section headings in this Security Agreement are for convenience of reference only, and shall not govern the interpretation of any of the terms and provisions of this Security Agreement.

20. Survival of Representations. All representations and warranties of Grantor contained in this Security Agreement shall survive the execution and delivery of this Security Agreement.

21. Counterparts; Facsimile. This Security Agreement may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Security Agreement under seal as of the day and year first above written.

Scriptel Corporation,  
an Ohio corporation

By: Robert Kable 28-Dec-06  
Robert Kable, President and Treasurer

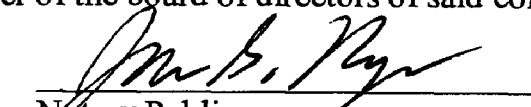
The Huntington National Bank,  
a national banking association

By: Michael Price  
Michael Price, Vice President

STATE OF OHIO )  
 )  
COUNTY OF FRANKLIN )

ss:

On the 28 day of December, 2006, before me personally came Robert Kable to me known, who being by me duly sworn, did depose and say he is the President and Treasurer of Scriptel Corporation, the corporation described in and which executed the foregoing instrument; and that he signed his name thereto by order of the board of directors of said corporation.

  
Notary Public  
My Commission Expires:

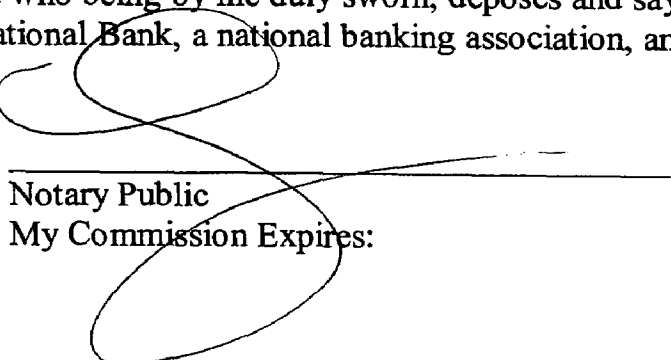


JAMES C. RYAN, Attorney At Law  
NOTARY PUBLIC, STATE OF OHIO  
My commission has no expiration date  
Section 147.03 R.C.

STATE OF OHIO )  
 )  
COUNTY OF FRANKLIN )

ss:

Before me, the undersigned, on this 12<sup>th</sup> day of January, 2007, personally appeared Michael Price, to me known personally, and who being by me duly sworn, deposes and says that he is a Vice President of The Huntington National Bank, a national banking association, and that he was authorized to sign his name thereto.

  
Notary Public  
My Commission Expires:



MARIE A. MALLOY  
Attorney at Law  
Notary Public, State of Ohio  
My Commission Has No Expiration  
Section 147.03 R.C.

SCHEDULE A

**Patents**

PATENT NUMBER	COUNTRY	ISSUE DATE	Title [Docket Number]
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Application No. 11/598,500

USA

Filing date: 11/13/06

SCR 2-078-3

SCHEDULE B

**Licenses**