

PATENT ASSIGNMENT

Electronic Version v1.1

Stylesheet Version v1.1

SUBMISSION TYPE:

NEW ASSIGNMENT

NATURE OF CONVEYANCE:

Patent Security Agreement and Collateral Assignment

CONVEYING PARTY DATA

Name	Execution Date
PHOQUS GROUP PLC	04/02/2007

RECEIVING PARTY DATA

Name:	OXFORD FINANCE CORPORATION
Street Address:	133 North Fairfax Street
City:	Alexandria
State/Country:	VIRGINIA
Postal Code:	22314

PROPERTY NUMBERS Total: 8

Property Type	Number
Patent Number:	5656080
Patent Number:	5470603
Patent Number:	6117479
Patent Number:	7070656
Patent Number:	6406738
Patent Number:	7008668
Application Number:	10451762
Application Number:	10501836

CORRESPONDENCE DATA

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PATENT

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REEL: 019102 FRAME: 0239

CH \$320.00 5656080

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ATTORNEY DOCKET NUMBER:

26704/1

NAME OF SUBMITTER:

Mark S. Leonardo

Total Attachments: 8

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PATENT SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT

PATENT SECURITY AGREEMENT AND COLLATERAL ASSIGNMENT, dated as of April 2, 2007 (this "**Patent Security Agreement**"), by and between **PHOQUS GROUP PLC** (registered in England and Wales under company number 4402178), having a registered office at 10 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4PQ, UK ("**Grantor**") and **OXFORD FINANCE CORPORATION**, having a registered office at 133 North Fairfax Street, Alexandria, Virginia 22314, as administrative agent (the "**Agent**").

WITNESSETH:

WHEREAS, pursuant to a Loan Facility Agreement and Debenture of even date hereof by and among Grantor, a "**Borrower**" and Agent, a "**Lender**") (as amended, supplemented or otherwise modified from time to time), the Borrower has granted a security interest to Lender, in, among other things, all right, title and interest of the Borrower in, to and under all of the Borrower's Patents (defined below) and other Patent Collateral (defined below), whether presently existing or hereafter arising or acquired as security for the obligations from time to time owing by the Borrower under the Loan Facility Agreement and Debenture; and

WHEREAS, Grantor is the owner of the entire right, title and interest in, to and under Grantor's respective Patents listed on **Schedule 1** hereto; and

NOW, THEREFORE, in consideration of the premises and to induce the Agent to enter into the Loan Facility Agreement and Debenture, the Grantor hereby agrees with the Agent as follows:

1. Defined Terms.

(a) **Definitions.** Unless otherwise defined herein or the context otherwise requires, terms used in this Patent Security Agreement, including its preamble and recitals, have the meanings provided in the Loan Facility Agreement.

(b) Other Definitional Provisions.

(i) The words "hereof," "herein" and "hereunder" and words of similar import when used in this Patent Security Agreement shall refer to this Patent Security Agreement as a whole and not to any particular provision of this Patent Security Agreement, and section and paragraph references are to this Patent Security Agreement unless otherwise specified.

(ii) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

2. Grant of Security Interest. To secure the prompt and complete payment when due and satisfaction of the obligations, Grantor hereby grants to Agent a security interest in all of Grantor's now existing or hereafter acquired or existing right, title and interest in and to all patents, letters patent, patent applications, industrial design applications and registered industrial designs, inventions, invention disclosures and improvements, and all applications, registrations and recordings relating to the foregoing as may at any time be filed in the United States Patent and Trademark Office, the Canadian Intellectual Property Office or in any similar office or agency, any State or Province thereof, any political subdivision thereof or in any other country, and all proprietary rights in and to and research and

development relating to the foregoing, including, without limitation, each patent, patent application and patent infringement claim identified on Schedule 1 attached hereto and made a part hereof (the "Patents"), all reissues, continuations, continuations-in-part or extensions of any of the foregoing and the right to sue for past, present and future infringements and all rights corresponding thereto and all products and proceeds of any and all of the foregoing, including, without limitation, all income, license fees, fees, royalties and other payments at any time due or payable with respect to any of the foregoing (collectively and together with the Patents, the "Patent Collateral").

3. **Security Agreement.** This Patent Security Agreement has been executed and delivered by Grantor for the purpose of recording the security interest of the Agent in the Patents and the other Patent Collateral with the United States Patent and Trademark Office and Canadian Intellectual Property Office. The security interest and collateral assignment granted hereby has been granted as a supplement and ancillary to, and not in limitation of, the security interest granted to the Agent under the Loan Facility Agreement and Debenture. The Loan Facility Agreement and Debenture (and the respective rights and remedies of the Agent thereunder) shall remain in full force and effect in accordance with its terms.

4. **Collateral Assignment of Patents.** In addition to all other rights granted to the Agent under the Loan Facility Agreement, Debenture and this Patent Security Agreement, upon the occurrence and during the continuation of an Event of Default under the Loan Facility Agreement or Debenture, effective upon written notice by Agent to the Grantor referencing this Section 4 and the applicable Patent Collateral (whether it be some or all of the Patent Collateral), Grantor shall be deemed to have sold, assigned, transferred and set over to the Agent, Grantor's entire right, title and interest in and to all of such Patent Collateral.

5. **Representations and Warranties.** Grantor represents and warrants that (except as otherwise disclosed in the Loan Facility Agreement and/or Debenture):

- (a) the Patents are valid and subsisting and in good standing;
- (b) each of the Patents identified on Schedule 1 hereto, is valid and has not been adjudicated unenforceable and, to the knowledge of Grantor, no claim has been made that the use of any of the Patents does or may violate the rights of any third person;
- (c) Grantor is the sole and exclusive owner of the entire right, title and interest in, under and to, free and clear of any liens, charges and encumbrances, each of the Patents identified on Schedule 1 hereto and the other Patent Collateral;
- (d) Grantor has good and marketable title to, free and clear of all clear of any liens, charges and encumbrances, all Patents identified on Schedule 1 hereto and the other Patent Collateral; and
- (e) Grantor has the legal right and authority to enter into this Patent Security Agreement and perform its terms.

6. **Termination; Release of Patent Collateral.** This Patent Security Agreement and all obligations of the Grantor and the Agent hereunder shall terminate on the date upon which the obligations have been indefeasibly paid and satisfied in full in cash and all commitments and other obligations of the Agent to the Grantor have terminated without delivery of any instrument or performance of any act by any party. Upon termination of this Patent Security Agreement, the Agent

shall, at the expense of the Grantor, take such actions as reasonably may be necessary to release its security interest in and the collateral assignment of the Patents and other Patent Collateral including, without limitation, executing such documents as may be reasonably necessary to evidence such release and record such release with the United States Patent and Trademark Office and Canadian Intellectual Property Office, in each case, at Grantor's sole cost and expense.

7. **Acknowledgement.** The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Agent with respect to the security interest and collateral assignment in the Patents and other Patent Collateral granted hereby are more fully set forth in the Loan Facility Agreement and Debenture, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein. In the event of any inconsistency between the terms of this Patent Security Agreement and the terms of the Loan Facility Agreement and Debenture, the terms of the Loan Facility Agreement and Debenture shall govern.

8. **Binding Effect; Benefits.** This Patent Security Agreement shall be binding upon the Grantor and its successors and assigns, and shall inure to the benefit of the Agent and their successors and assigns.

9. **GOVERNING LAW.** THIS PATENT SECURITY AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE LAWS OF THE STATE OF VIRGINIA, WITHOUT GIVING EFFECT TO PRINCIPLES OF CONFLICTS OF LAW.

IN WITNESS WHEREOF, the parties have caused this Patent Security Agreement and Collateral Assignment to be executed by its duly authorized representatives as of the date first above written.

PHOQUS GROUP PLC., as Grantor

By: _____

Name: P G Johnson

Title: CFO

OXFORD FINANCE CORPORATION, as Agent

By: _____

Name:

Title:

IN WITNESS WHEREOF, the parties have caused this Patent Security Agreement and Collateral Assignment to be executed by its duly authorized representatives as of the date first above written:

PHOQUS GROUP PLC., as Grantor

By: _____
Name:
Title:

OXFORD FINANCE CORPORATION, as Agent

By: [Signature]
Name:
Title:

Certificate of Acknowledgment:

City/County of Taxiway
Commonwealth of Virginia

The foregoing instrument was acknowledged before me this 2ND day of Feb 20 07 by

J. ALDEN PHILBRICK
(Name of person seeking acknowledgment)

Notary Public

My commission expires:



BARBARA S. HOLMES
NOTARY PUBLIC
COMMONWEALTH
OF VIRGINIA
My Commission Expires
June 30, 2008

COUNTY OF)
)
STATE OF) SS.

Subscribed and sworn to before me, a Notary Public for the County and State aforesaid, this ____ day of April 2007, personally appeared _____, known to me to be the _____ of Phoqus Group Plc which executed the foregoing instrument, and he duly acknowledged and swore to me that he executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public
My commission expires:

COUNTY OF)
)
STATE OF) SS.

Subscribed and sworn to before me, a Notary Public for the County and State aforesaid, this ____ day of April 2007, personally appeared _____, known to me to be the _____ of Oxford Finance Corporation which executed the foregoing instrument, and he duly acknowledged and swore to me that he executed the same.

IN WITNESS WHEREOF, I hereunto set my hand and Notarial Seal.

Notary Public

SCHEDULE 1

U.S. PATENTS AND PATENT APPLICATIONS

PATENTS

<u>Patent Description/Family</u>	<u>Patent No.</u>	<u>Status</u>
Improvements in or relating to Electrostatic Coating of Substrates of Medicinal Products (Umbrella Ref 1220)	5,656,080	Granted
Improvements in or relating to Electrostatic Coating of Substrates of Medicinal Products (Umbrella Ref 1220)	5,470,603	Granted
Electrostatic Coating (Apparatus Ref 1868)	6,117,479	Granted
Electrostatic Coating (Apparatus Ref 1868)	7,070,656	Granted
Improvements In or Relating To Electrostatic Coating of Substrates (Materials Ref 1144)	6,406,738	Granted
Improvements In or Relating To Electrostatic Coating of Substrates (Materials Ref 1144)	7,008,668	Granted

PATENT APPLICATIONS

<u>Patent Application Description/Family</u>	<u>Patent Application No.</u>	<u>Date Applied</u>	<u>Status</u>
Electrostatic Application of Powder Material to Solid Dosage Forms in an Electric Field (Collapsed Field Effect ref 5665)	10/451,762	December 21, 2001	Pending
Electrostatic Application of Powder Material to Solid Dosage Forms (Shield Ref 7771)	10/501,836	January 17, 2003	Pending

CANADIAN PATENTS AND PATENT APPLICATIONS

PATENTS

<u>Patent Description/Family</u>	<u>Patent No.</u>	<u>Status</u>
Improvements in or relating to Electrostatic Coating of Substrates of Medicinal Products (Umbrella Ref 1220)	2,081,921	Granted
Electrostatic Coating (Apparatus Ref 1868)	2,220,485	Granted

PATENT APPLICATIONS

<u>Patent Application Description/Family</u>	<u>Patent Application No.</u>	<u>Date Applied</u>	<u>Status</u>
Improvements In Or Relating To Electrostatic Coating of Substrates (Materials Ref 1144)	2,220,506	May 8, 1996	Pending
Electrostatic Application of Powder Material to Solid Dosage Forms in an Electric Field (Collapsed Field Effect ref 5665)	2,432,127	December 21, 2001	Pending
Electrostatic Application of Powder Material to Solid Dosage Forms (Shield Ref 7771)	2,484,146	January 17, 2003	Pending

PATENT

RECORDED: 04/03/2007

REEL: 019102 FRAME: 0248