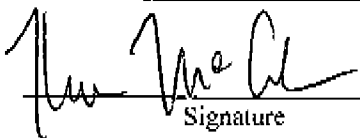
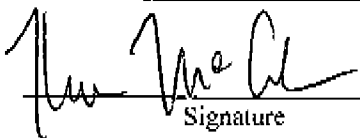
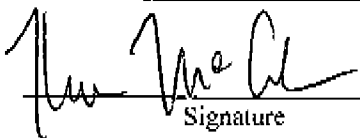


<b>RECORDATION FORM COVER SHEET</b> <b>PATENTS ONLY</b>		U.S. Department of Commerce Patent and Trademark Office Attorney Docket No. DURE-305			
To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents of copy thereof.					
1. Name of the conveying party(ies):  Alza Corporation  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	2. Name and address of receiving party(ies):  Name: <u>DURECT CORPORATION</u>  Internal Address:  Street Address: <u>2 Results Way</u>  City: <u>Cupertino</u> State: <u>CA</u> Zip: <u>95014</u>  Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
3. Nature of conveyance: <input checked="" type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Other _____ Execution Date: <u>05/22/2008</u>	4. Application number(s) or patent number(s): If this document is being filed together with a new application, the execution date of the application is:				
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;">           A. Patent Application No.(s)    60/022,699               60/021,216               60/049,559               09/095,706         </td> <td style="width: 50%; vertical-align: top;">           B. Patent No.(s)    5,932,547               6,124,261               6,235,712         </td> </tr> </table>			A. Patent Application No.(s)    60/022,699 60/021,216 60/049,559 09/095,706	B. Patent No.(s)    5,932,547 6,124,261 6,235,712	
A. Patent Application No.(s)    60/022,699 60/021,216 60/049,559 09/095,706	B. Patent No.(s)    5,932,547 6,124,261 6,235,712				
Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No					
5. Name and address of party to whom correspondence concerning document should be mailed:  Name: Thomas P. McCracken  Street Address: DURECT CORPORATION 2 Results Way City: <u>Cupertino</u> State: <u>CA</u> Zip: <u>95014</u>	6. Total number of applications and patent involved: <u>7</u>  7. Total fee (37 CFR 3.41) ..... <u>\$280.00</u>  <input type="checkbox"/> Enclosed <input checked="" type="checkbox"/> Authorized to be charged to deposit account 8. Deposit Account Number: <u>50-1953</u>				
<b>DO NOT USE THIS SPACE</b>					
9. Signature.  <table style="width: 100%; border: none;"> <tr> <td style="width: 30%; vertical-align: bottom;"> <u>Thomas P. McCracken</u>            Name of person signing         </td> <td style="width: 40%; text-align: center; vertical-align: bottom;">             Signature         </td> <td style="width: 30%; text-align: right; vertical-align: bottom;"> <u>07/15/2008</u>            Date         </td> </tr> </table>			<u>Thomas P. McCracken</u> Name of person signing	 Signature	<u>07/15/2008</u> Date
<u>Thomas P. McCracken</u> Name of person signing	 Signature	<u>07/15/2008</u> Date			
Total number of pages including coversheet, attachments, and documents: <u>11</u>					

Mail documents to be recorded with required cover sheet information to:

MS Assignments

Commissioner of Patents & Trademarks

P.O. Box 1450, Alexandria, VA 22313-1450

I hereby certify that this correspondence is being facsimile transmitted to (571) 273-0140 on 07/15/2008

By: Crystal Susa Printed: Crystal Susa

CH \$280.00 501953 60022699

## AMENDED AND RESTATED PATENT ASSIGNMENT AGREEMENT

This Amended and Restated Patent Assignment Agreement (the "Amended Agreement") is entered into by and between DURECT Corporation, with a place of business at 2 Results Way, Cupertino, CA 95014 ("DURECT") and ALZA Corporation, with a place of business at 1010 Joaquin Road, Mountain View, CA 94043 ("ALZA") effective as of May 22, 2008 ("Effective Date").

### BACKGROUND

A. ALZA has assigned to DURECT pursuant to that certain Patent Assignment Agreement effective December 12, 2007, as subsequently amended February 15, 2008 and March 5, 2008 (the "Patent Assignment Agreement") all right, title and interest to the patents and patent applications listed on Exhibit 1 hereto (the "Listed Exhibit E Patents") and on Exhibit 2 hereto (the "Listed Exhibit I Patents"). The Listed Exhibit E Patents and the Listed Exhibit I Patents shall hereinafter be referred to collectively as the "Listed ALZA Patents").

B. [REDACTED]

C. ALZA and DURECT now desire to amend and restate the Patent Assignment Agreement subject to the conditions specified below.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

### DEFINITIONS

In addition to terms elsewhere defined in this Amended Agreement, the following terms shall have the meanings ascribed to them below.

"Affiliate" means any corporation or other entity which is directly or indirectly controlling, controlled by or under common control with a party hereto. For the purpose of this definition, "control" shall mean (i) the direct or indirect ownership of at least fifty percent (50%) of the outstanding shares or other voting rights of the subject entity to elect directors or (ii) the possession, directly or indirectly, of the power to manage, direct or cause the direction of the management and policies of the corporation or other entity or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the corporation or other entity.

"Calendar Quarter" shall mean each three month period commencing January 1, April 1, July 1 and October 1 of each year.

"First Commercial Sale" shall mean, with respect to any country, the first sale of [REDACTED] in a bona fide arm's-length transaction in such country following receipt

of all regulatory approvals necessary to commence regular, commercial sales of [REDACTED] in such country. Any sale prior to receipt of all approvals necessary to commence commercial sales, such as any so-called "named patient sale" or "compassionate use" sale, shall not be a First Commercial Sale.

[REDACTED].

"Net Sales" means the total amount invoiced by DURECT, and/or its Affiliates and licensees for sale or other commercial disposition of [REDACTED] to an unrelated Third Party in arms'-length transactions, less the following deductions in their normal and customary amounts: (a) all trade, cash and quantity credits, discounts, refunds or rebates, including without limitation rebates accrued, incurred or paid to assistance program and any other price reduction required by a governmental agency; (b) allowances or credits for returns, including without limitation amounts received for sales which become the subject of a subsequent temporary or partial recall by regulatory agency for safety or efficacy reasons outside the control of DURECT, and retroactive price reductions (including managed care and similar types of rebates); (c) freight, postage, shipping, insurance, and packaging costs and other outbound transportation charges prepaid or allowed; and (d) cost of export licenses and any taxes (excluding income taxes or similar taxes) fees or other charges associated with the exportation or importation of [REDACTED]. For clarity, Net Sales shall be determined in accordance with U.S. GAAP and a sale or transfer by DURECT to its Affiliates and/or licensees for resale by such Affiliate and/or licensee shall not be considered a sale for the purpose of this provision but the resale by such Affiliate and/or licensee to a Third Party shall be a sale for such purposes. Transfer for preclinical trials and clinical trials, testing or market research or promotional purposes shall not be a sale for the purpose of calculating Net Sales.

"Third Party" means any entity other than DURECT or ALZA.

"Valid Claim" means a claim in an issued and unexpired patent within the Listed ALZA Patents that (a) has not been abandoned, revoked, held invalid, declared unpatentable or unenforceable in a decision of a court or other body of competent jurisdiction, and that is unappealable or unappealed within the time allowed for appeal and (b) has not been rendered unenforceable through disclaimer.

## AGREEMENT

1. Assignment of Listed ALZA Patents. ALZA hereby sells, assigns, transfers and sets over unto DURECT its entire right, title and interest in and throughout the world in and to the Listed Exhibit E Patents and inventions contained therein, all priority rights deriving therefrom under international conventions, and any and all patents (including extensions thereof) of any country, which have been or may be filed or granted on said inventions or any part thereof, including any divisional, continuing, renewal, reissue, or other patent applications, based in whole or in part thereon, or based upon said inventions; together with all claims for damages, whether accrued, present or future, for infringement of said patents or patent applications, including the right to sue for, obtain,

enforce and enjoy, in its own name, any and all remedies that may be available, to be held and enjoyed by DURECT, its successors, assigns and legal representatives subject only to:

[REDACTED]

ALZA hereby sells, assigns transfers and sets over unto DURECT its entire right, title and interest in and throughout the world in and to the Listed Exhibit I Patents and inventions contained therein, all priority rights deriving therefrom under international conventions, and any and all patents (including extensions thereof) of any country, which have been or may be filed or granted on said inventions or any part thereof, including any divisional, continuing, renewal, reissue, or other patent applications, based in whole or in part thereon, or based upon said inventions; together with all claims for damages, whether accrued, present or future, for infringement of said patents or patent applications, including the right to sue for, obtain, enforce and enjoy, in its own name, any and all remedies that may be available, to be held and enjoyed by DURECT, its successors, assigns and legal representatives subject only to:

[REDACTED]

Upon request by DURECT and at DURECT's sole expense, ALZA agrees to execute and deliver any documents that are reasonably necessary to perfect DURECT's interest in the Listed ALZA Patents.

2. [REDACTED]

3. Consideration to ALZA.

(a) Upfront Payment. In connection with the execution of the Patent Assignment Agreement, DURECT has paid to ALZA, and ALZA acknowledges receipt from DURECT, an amount equal to [REDACTED].

(b) Royalty. In addition to the payment provided in Section 3(a), DURECT shall pay to ALZA a royalty of [REDACTED]; provided, however, that such royalty shall not be owed by DURECT to ALZA [REDACTED]. DURECT's obligation to pay royalties shall commence on a [REDACTED] basis upon the First Commercial Sale of [REDACTED] in a particular country. All payments hereunder shall be made free and clear of any taxes, duties, levies, fees or charges, except for withholding taxes (to the extent applicable). All royalty payments hereunder shall be made to ALZA in U.S. Dollars by bank wire transfer in immediately available funds to the account designated by ALZA in writing to DURECT from time to time.

(c) Royalty Obligations and Reporting. After the date [REDACTED], all royalty payments shall be made within ninety (90) days after the end of each Calendar Quarter in which such sales were deemed to occur. Such royalty payments shall be accompanied by a detailed statement for each country in which sales [REDACTED] occurred in the Calendar Quarter covered by such statement, specifying: the gross sales (if available) and Net Sales in each country's currency; the royalties

payable in each country's currency, including an accounting of deductions taken in the calculation of Net Sales; the applicable exchange rate to convert from each country's currency to U.S. Dollars; and the royalties payable in U.S. Dollars. All royalty payments not made when due shall bear interest, calculated from the date such payment was due, at [REDACTED].

(d) Foreign Currency Conversion. For sales of [REDACTED] that occur in a currency other than U.S. Dollars, the quarterly royalty payment will be calculated as follows:

$(A/B) \times C = \text{U.S. Dollars royalty payment on foreign currency sales, where}$

A = foreign currency "Net Sales" per quarter;

B = foreign exchange conversion rate, expressed in local currency per U.S. Dollar (using as the applicable foreign exchange conversion rate the average of the rate published in the western edition of the Wall Street Journal, or any other source agreed to the Parties from time to time, for the last business day of the Calendar Quarter); and

C = the royalty rate applicable to such Net Sales under this Agreement.

(e) Record Keeping and Review.

(i) DURECT Records. After the date of First Commercial Sale of [REDACTED], DURECT shall keep, for at least three (3) years following the end of the calendar year to which they pertain, records of all sales [REDACTED], in sufficient detail to permit ALZA to confirm the accuracy of DURECT's royalty calculations.

(ii) Review. Subject to the other terms of this Section 3(e)(ii), at the request of ALZA, upon at least fifteen (15) business days' prior written notice from ALZA to DURECT, and at the expense of ALZA (except as otherwise provided below), DURECT shall permit an independent certified public accountant selected by ALZA and reasonably acceptable to DURECT to inspect (during regular business hours) the records required to be maintained by DURECT under this Section 3(e)(i). At ALZA's request hereunder [REDACTED], the accountant shall be entitled to review, [REDACTED] DURECT's records for purposes of verifying DURECT's royalty calculations. Results of any such review shall be made available to both parties. If such accounting firm correctly concludes that additional royalties were owed during such period, DURECT shall pay the additional royalties, [REDACTED]. If, and only if, the amount of the underpayment is greater than [REDACTED], then DURECT shall reimburse ALZA for all costs related to such audit.

4. Indemnification of ALZA. DURECT agrees to indemnify, defend and hold ALZA and its directors, officers, employees and agents (each an "Indemnitee") harmless from and against any and all liabilities, claims, demands, expenses (including, without limitation, attorneys and professional fees and other costs of litigation), losses or causes of action incurred as a result of claims brought by Third Parties (each, a "Liability") arising out of or relating in any way to [REDACTED]. Each Indemnitee shall, as a condition of the DURECT's obligations under this Section 4(a): (i) provide to the DURECT prompt notice of any Third Party claim or demand that may be the subject of Section 4; (ii) assist DURECT and its representatives in the investigation and defense of any claim and/or suit for which indemnification is provided; and (iii) obtain DURECT's prior written consent (such consent not to be unreasonably withheld) in connection with any settlement of a claim, demand or cause of action.

5. [REDACTED]

6. General.

(a) This Amended Agreement shall be governed by and construed in accordance with the laws of the State of California, United States of America without regard to conflict of law provisions.

(b) Descriptive headings used herein are for convenience only and shall not affect the meaning or construction of any provision hereof.

(c) Effective as of the Effective Date, this Amended Agreement shall supersede the Patent Assignment Agreement ([REDACTED]), and this Amended Agreement, together with the exhibits hereto, shall set forth the entire understanding between ALZA and DURECT as to the subject matter hereof.

(d) This Amended Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto have caused this Amended and Restated Patent Assignment Agreement to be executed by their duly authorized officers.

ALZA CORPORATION

DURECT CORPORATION

By: JJ Barr

By: Felix Thewissen

Name: JAMES J. BARR

Name: Felix Thewissen

Title: V.P. FINANCE

Title: Chairman & CSO

Date: May 22, 2008

Date: May 22, 2008

Witnessed by:

Witnessed by:

By: Angela Thawani

By: Jean I. Liu

Name: ANGELA THAWANI

Name: Jean I. Liu

## EXHIBIT 1

## Listed Exhibit E Patents

[REDACTED]

**Alza Patent Family No. AR0 2436**, including expired US Provisional Application 60/022,699, granted US Patent Nos. 5,932,547; 6,124,261 and 6,235,712 and all related US domestic and foreign patents/patent applications including, without limitation, PCT/US97/11450 and the following:

<b>Alza Patent Family No. AR0 2436</b>				
<b>Non-Aqueous Polar Aprotic Peptide Formulations</b>				
<b>Country</b>	<b>App.#</b>	<b>Filing date</b>	<b>Patent #</b>	<b>Issue date</b>
Argentina	P970102965	02-Jul-1997	AR007714B1	29-Sep-2006
Australia	35879/97	01-Jul-1997	739169	17-Jan-2002
Australia	97295/01	18-Dec-2001	775395	11-Nov-2004
Austria	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Austria	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Belgium	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Belgium	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Brazil	PI9710132-0	01-Jul-1997		
Canada	2,259,557	01-Jul-1997		
Chile	1240-97	25-Jun-1997		
China	97196072.0	01-Jul-1997		
China	200410092618.1	01-Jul-1997		
<b>Alza Patent Family No. AR0 2436 (cont.)</b>				
China	200610149399.5	01-Jul-1997		
Colombia	97037099	03-Jul-1997		
Cyprus, Republic of	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Czech Republic	1998-4340	01-Jul-1997		
Czech Republic	2007-287	01-Jul-1997		
Denmark	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Denmark	02075347.1	01-Jul-1997	1208846	07-Apr-2004
European Patent Convention	97932416.7	01-Jul-1997	0921808	18-Sep-2002
European Patent Convention	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Finland	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Finland	02075347.1	01-Jul-1997	1208846	07-Apr-2004
France	97932416.7	01-Jul-1997	0921808	18-Sep-2002
France	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Germany	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Germany	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Greece	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Greece	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Hong Kong	05110404.4	01-Jul-1997	99105535.3	
Hungary	P9904270	01-Jul-1997		
India	1274/CAL/97	03-Jul-1997	1274/CAL/97	15-May-2007
Indonesia	P-972314	03-Jul-1997	ID0007404	27-Feb-2002
Indonesia	P-20010116	03-Jul-1997	ID0008211	16-Apr-2003
Ireland	97932416.7	01-Jul-1997	0921808	18-Sep-2002

PATENT

REEL: 021230 FRAME: 0921



Ireland	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Israel	127771	01-Jul-1997	127771	16-Apr-2006
Israel	170958	01-Jul-1997		
Israel	178824	01-Jul-1997		
Italy	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Italy	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Japan	504401/98	01-Jul-1997		
Korea, Republic of	1998-0710824	01-Jul-1997	10-0593221	19-Jun-2006
Liechtenstein	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Liechtenstein	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Luxembourg	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Malaysia	PI 97002995	02-Jul-1997	MY-128850-A	28-Feb-2007
Mexico	9810746	01-Jul-1997	209608	09-Aug-2002
Netherlands	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Netherlands	02075347.1	01-Jul-1997	1208846	07-Apr-2004
New Zealand	333294	01-Jul-1997	333294	07-Sep-2000
Norway	1998 6207	01-Jul-1997	322514	10-Oct-2006
Norway	2006 3870	01-Jul-1997		
Patent Cooperation Treaty	PCT/US97/11450	01-Jul-1997		
Philippines	1-1997-57177	02-Jul-1997	1-1997-57177	14-Feb-2002
Philippines	1-2001-02102	15-Aug-2001	1-2001-02102	12-Jan-2005
Philippines	1-2001-02103	15-Aug-2001	1-2001-02103	12-Jan-2005
Poland	P 330927	01-Jul-1997	189015	21-Oct-2004
Portugal	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Portugal	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Romania	98-01771	01-Jul-1997	2203084	27-Apr-2003
Russian Federation	99102245	01-Jul-1997	2203084	27-Apr-2003
Singapore	9806355-5	01-Jul-1997	61070	20-Jun-2000
Slovakia	PV 1797-98	01-Jul-1997	283926	22-Mar-2004
Alza Patent Family No. AR0 2436 (cont.)				
South Africa	97/5941	03-Jul-1997	97/5941	24-Jun-1998
Spain	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Spain	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Sweden	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Sweden	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Switzerland	97932416.7	01-Jul-1997	0921808	18-Sep-2002
Switzerland	02075347.1	01-Jul-1997	1208846	07-Apr-2004
Taiwan	86109386	03-Jul-1997	NI-200011	21-Apr-2004
United Kingdom	97932416.7	01-Jul-1997	0921808	18-Sep-2002
United Kingdom	02075347.1	01-Jul-1997	1208846	07-Apr-2004
U.S.A.	60/022,699	03-Jul-1996		
U.S.A.	60/021,216	03-Jul-1996		
U.S.A.	60/049,559	13-Jun-1997		
U.S.A.	08/874,233	13-Jun-1997	5,932,547	03-Aug-1999
U.S.A.	09/095,706	11-Jun-1998		
U.S.A.	09/293,839	19-Apr-1999	6,124,261	26-Sep-2000
U.S.A.	09/514,951	28-Feb-2000	6,235,712	26-Sep-2000
Venezuela	1280/97	03-Jul-1997		

[REDACTED]

EXHIBIT 2

Listed Exhibit I Patents

[REDACTED]