

316109

03-09-2009



EET

To the Director of the U.S. Patent

103551371

J documents or the new address(es) below.

1. Name of conveying party(ies)

Toyo Corporation

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

2. Name and address of receiving party(ies)

Name: Pacific Nanotechnology, Inc.

Internal Address: _____

Street Address: 3350 Scott Boulevard Suite 29

City: Santa Clara

State: CA

Country: US Zip: 95054

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

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

Execution Date(s) December 16, 2008

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

4. Application or patent number(s):

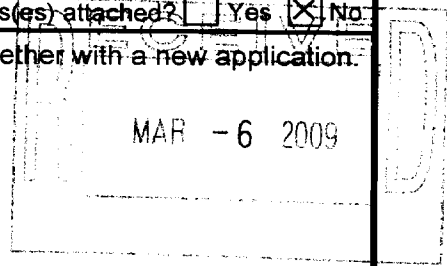
A. Patent Application No.(s)

B. Patent No.(s)

5,811,802 and 5,949,070

Additional numbers attached? Yes No

This document is being filed together with a new application.



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

Name: William C. Milks, III

Internal Address: _____

Street Address: 401 Florence Street

City: Palo Alto

State: CA Zip: 94301

Phone Number: (650) 327-9800

Fax Number: (650) 853-3059

Email Address: bmilks@sbcglobal.net

6. Total number of applications and patents involved: two (2)

7. Total fee (37 CFR 1.21(h) & 3.41) \$ 80.00

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

8. Payment Information

Deposit Account Number _____

Authorized User Name _____

03/06/2009 NJAMA1 0000054 5811802

01 FC:8021

80.00 OP

9. Signature:

William C. Milks, III
Signature

February 27, 2009

Date

William C. Milks, III

Name of Person Signing

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

4

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

RELEASE OF SECURITY INTEREST

THIS RELEASE OF SECURITY INTEREST (this "Release") is effective as of December 16, 2008 ("Effective Date"), between Toyo Corporation, a Japanese Corporation, ("Lender") and Pacific Nanotechnology, Inc., a corporation incorporated under the laws of Delaware, ("Borrower"), hereafter collectively referred to as the "Parties."

WHEREAS, pursuant to the Pacific Nanotechnology, Inc. Security Agreement dated November 16, 2001 between Lender and Borrower (the "Security Agreement"), Lender obtained a security interest in and to certain property rights of Borrower.

NOW, THEREFORE, for good and valuable consideration the receipt and adequacy of which is hereby acknowledged by Lender, it is hereby agreed by and between the Parties as follows:

1. Lender hereby cancels, terminates, releases, waives and abrogates, by execution hereof, the security interest in and to the Collateral (as defined in the Security Agreement) comprising the Intellectual Property Collateral (as defined in the Security Agreement), including without limitation the Patents described in Exhibit A attached to the Security Agreement and listed in Schedule A hereto (the "Encumbered Patents"), including any and all rights, priorities and privileges of Borrower provided under United States, state or foreign law, or multinational law, compact, treaty, protocol convention or organization, with respect thereto ("Related Rights").

2. Lender further cancels, terminates, releases, waives and abrogates any and all of its security interest in and to any and all proceeds, causes of action and rights of recovery for past and future infringement or misappropriation of any of the Intellectual Property Collateral.

3. Lender further cancels, terminates, releases, waives and abrogates any and all of its security interest in and to any and all rights of Borrower to obtain reissues, re-examinations, continuations, continuations-in-part, divisions, extensions or other legal protections arising solely from the Encumbered Patents and Related Rights that are or may be obtained in any relevant jurisdiction anywhere in the world, including (but not limited to) the United States, its territories and possessions, now or hereinafter in effect.

4. Lender represents and warrants to Borrower that Lender has not sold, transferred, pledged, alienated or hypothecated any interest in and to the Collateral.

5. Lender, including its officers and directors who will be authorized to act agree that they, on behalf of Assignor, shall provide to Borrower cooperation and assistance at Borrower's reasonable request (including, without limitation, the execution and delivery of any affidavits, declarations, oaths, UCC termination statements, exhibits, deeds, powers of attorney, assignments to be recorded at various patent offices and other documentation as may be reasonably required) respecting this Release; provided that Borrower shall be responsible for documented out-of-pocket expenses incurred in connection therewith.

6. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together constitute one and the same original.

IN WITNESS WHEREOF, the undersigned has caused this Release to be duly executed and delivered as of the Effective Date above first written.

TOYO CORPORATION

By: 

Name: A. William Berkman, Jr.

Title: Authorized Representative

PACIFIC NANOTECHNOLOGY, INC.

By: 

Name: Gary D. Aden

Title: President & CEO

Schedule A

U.S. PATENTS

U.S. Patent No.	Title
5,811,802	SCANNING PROBE MICROSCOPE WITH HOLLOW POINT ASSEMBLY
5,949,070	SCANNING FORCE MICROSCOPE WITH INTEGRAL LASER-SCANNER AND INDEPENDENT STATIONARY DETECTOR