

Form FTO-1595 (Rev. 03-09)  
OMB No. 0861-0027 (exp. 03/31/2008)

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

CORRECTED RECORDATION FORM COVER SHEET	
REEL 021876 FRAME 0894 PATENTS ONLY	
To the Director of the U.S. Patent and Trademark Office: Please record the attached documents or the new address(es) below.	
<b>1. Name of conveying party(ies)</b> Destron Fearing Corporation Digital Angel Corporation  Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<b>2. Name and address of receiving party(ies)</b> Name: <u>VeriChip Corporation</u> Internal Address: _____  Street Address: <u>1690 South Congress</u> <u>Avenue, Suite 200</u>  City: <u>Delray Beach</u>  State: <u>Florida</u>  Country: <u>U.S.</u> Zip: <u>33445</u>  Additional name(s) & address(es) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>3. Nature of conveyance/Execution Date(s):</b> Execution Date(s) <u>11/12/2008</u> <input type="checkbox"/> Assignment <input type="checkbox"/> Merger <input type="checkbox"/> Security Agreement <input type="checkbox"/> Change of Name <input type="checkbox"/> Joint Research Agreement <input type="checkbox"/> Government Interest Assignment <input type="checkbox"/> Executive Order 9424, Confirmatory License <input checked="" type="checkbox"/> Other <u>Corrective Assignment to*</u>	<b>4. Application or patent number(s):</b> <input type="checkbox"/> This document is being filed together with a new application. A. Patent Application No.(s)  B. Patent No.(s) 5923300      7015826 5952935      7176846 6400338      6947004 Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No      7432825
<b>5. Name and address to whom correspondence concerning document should be mailed:</b> Name: <u>Robin Taylor</u>  Internal Address: _____  Street Address: <u>Holland &amp; Knight LLP</u> <u>1600 Tysons Blvd., Suite 700</u>  City: <u>McLean</u>  State: <u>VA</u> Zip: <u>22102</u>  Phone Number: <u>703.720.8078</u> Fax Number: <u>703.720.8610</u> Email Address: <u>Robin.taylor@hkllaw.com</u> <u>maureen.drews@hkllaw.com</u>	<b>6. Total number of applications and patents involved:</b> <u>7</u>  <b>7. Total fee (37 CFR 1.21(h) &amp; 3.41)</b> \$ <u>280.00</u>  <input checked="" type="checkbox"/> Authorized to be charged to deposit account <input type="checkbox"/> Enclosed <input type="checkbox"/> None required (government interest not affecting title)
<b>9. Signature:</b> <u><i>Robin Taylor</i></u> _____ Robin Taylor Name of Person Signing	<b>8. Payment Information</b>  Deposit Account Number <u>130045</u> Authorized User Name <u>Maureen A. Drews</u>  June <u>23</u> , 2009 Date  Total number of pages including cover sheet, attachments, and documents: <span style="border: 1px solid black; padding: 2px;">14</span>

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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, VA. 22313-1450

\* [3. Nature of Conveyance continued]

correct the nature of conveyance to Covenant Not to Sue, originally recorded on the Recordation Cover Sheet as Security Agreement, previously recorded at Reel 021876 and Frame 0894.

**PATENT ASSIGNMENT**

Electronic Version v1.1  
 Stylesheet Version v1.1

<b>SUBMISSION TYPE:</b>	NEW ASSIGNMENT
<b>NATURE OF CONVEYANCE</b>	SECURITY AGREEMENT

**CONVEYING PARTY DATA**

Name	Execution Date
Destron Fearing Corporation	11/12/2008
Digital Angel Corporation	11/12/2008

**RECEIVING PARTY DATA**

<b>Name:</b>	VeriChip Corporation
<b>Street Address:</b>	1690 South Congress Avenue
<b>Internal Address:</b>	Suite 200
<b>City:</b>	Delray Beach
<b>State/Country:</b>	FLORIDA
<b>Postal Code:</b>	33445

**PROPERTY NUMBERS Total: 7**

Property Type	Number
Patent Number:	5923300
Patent Number:	5952935
Patent Number:	6400338
Patent Number:	6947004
Patent Number:	7015828
Patent Number:	7176848
Patent Number:	7432825

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**CORRESPONDENCE DATA**

Fax Number: (202)955-5564  
*Correspondence will be sent via US Mail when the fax attempt is unsuccessful.*  
 Phone: 2024192407  
 Email: elizabeth.vary@hklaw.com  
 Correspondent Name: Elizabeth F. Vary, Holland & Knight LLP  
 Address Line 1: 2099 Pennsylvania Avenue, NW

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**PATENT**  
**REEL: 021876 FRAME: 0894**

**PATENT**  
**REEL: 022878 FRAME: 0802**

Address Line 2: Suite 100  
Address Line 4: Washington, DISTRICT OF COLUMBIA 20006

NAME OF SUBMITTER:	Elizabeth F. Vary
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Total Attachments: 11  
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# REDACTED AGREEMENT

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT made as of the 13<sup>th</sup> day of November, 2008 (the "Effective Date"), by and among Destron Fearing Corporation, a Delaware corporation ("Seller"), Digital Angel Corporation, a Delaware Corporation ("Digital Angel"), and VeriChip Corporation, a Delaware corporation ("Buyer").

### RECITALS

WHEREAS, Seller is the wholly-owned subsidiary of Digital Angel and is the owner of certain proprietary technologies, processes, and other assets relating to and used in the business of manufacturing and selling radio-frequency and visual identification products;

WHEREAS, a component of Seller's business includes the manufacture and sale of human-implantable passive radio-frequency identification microchips ("Human RFID Product"), which are exclusively sold to Buyer and components related thereto, including readers, transponders, implanters, and packaging devices, and related services (the "Business");

WHEREAS, Buyer develops, markets, and sells RFID systems used to identify, locate and protect people, including the identification of people in medical emergencies, which systems use the Human RFID Product, and components related thereto, including readers, transponders, implanters, and packaging devices, and which future systems, products, components and services developed by or on behalf of Buyer may use the Human RFID Product or portions thereof ("Human RFID Field"); and

WHEREAS, Seller desires to sell and deliver to Buyer, and Buyer desires to purchase and receive from Seller all, right, title and interest in and to certain Seller's assets used or useful in connection with the operation of the Business in the Human RFID Field, so as to permit Buyer to independently pursue the development and improvement of the Business in the Human RFID Field.

### IT IS THEREFORE AGREED:

#### ARTICLE I.

#### ASSETS TO BE PURCHASED

1.1. Description of Assets. Upon the terms and subject to the conditions hereof, on the Closing Date (as defined in Section 9.1) Seller shall sell, transfer, assign and deliver to Buyer, and Buyer shall purchase from Seller, all of Seller's right, title and interest in and to all of Seller's assets that are limited to the operation of the Business in the Human RFID Field, excluding the Excluded Assets (as defined below), but including, without limitation, the following assets (collectively referred to as the "Purchased Assets") which shall be conveyed in the manner described:

- (a) The patents and patent applications, including divisions, continuations, renewals, continuances, and extensions of the foregoing (as applicable) listed on Schedule 1.1(a) shall be transferred and assigned to Buyer ("the Assigned Patents"), pursuant to an Assignment of Patent, annexed hereto as Schedule X, and Seller and

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Digital Angel shall receive from Buyer a full and irrevocable covenant not to sue for Seller's or Digital Angel's use of such patents and patent applications as more fully described in Section 5.4 of this Agreement;

(b) The patents and patent applications, including divisions, continuations, renewals, reissues, and extensions of the foregoing (as applicable) listed on Schedule 1.1(b) are used or usable by Seller in its business and shall be retained by Seller for use in its business ("Retained Patents"), but Buyer shall receive from Seller and Digital Angel a full and irrevocable covenant not to sue for Buyer's use of such patents and patent applications in its Business as more fully described in Section 4.7 of this Agreement;

[REDACTED]

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[REDACTED]

1.2. Excluded Assets. Notwithstanding anything in this Agreement to the contrary, all of the assets owned by Seller relating to any business or venture of Seller that may also have application to the Human RFID Field and related Business (excluding, however, the Purchased Assets listed above) are retained by Seller and are not transferred by this Agreement (collectively, the "Excluded Assets"); however, Seller agrees that the Buyer may use any intellectual property rights of Seller (that exist as of the date of this Agreement) that are included in such Excluded Assets that are necessary to the Business.

1.3. Certain Agreements. Upon Closing, the parties agree to terminate, assign, or enter into certain agreements, as follows:

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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4.7. Seller Covenant Not To Sue. As inducement for the purchase of the Purchased Assets by Buyer, Seller and Digital Angel each agrees to the provisions set forth in this Section 4.7.

(a) Definitions. For purposes of this Section 4.7, the following definitions apply:

(i) "Affiliate" means any person or entity controlled by, under common control with, or which controls, another person or entity.

(ii) "Buyer Parties" means Buyer, and any and all manufacturers, suppliers, distributors, sellers, sublicensees, purchasers, contractors, or users of any component, equipment, or product manufactured or sold by or for Buyer for use in the Human RFID Field, or any services relating to the Human RFID Field, and including Buyer's successors and assigns.

(iii) "Improvements" means any invention, discovery or development, modification, derivative work, enhancement or improvement to the Subject Technology, created by or on behalf of any Buyer Party, Seller or Digital Angel for use with, or otherwise useful with respect to, the Subject Technology, that exist as of the date of this Agreement.

(iv) "Know-How" means the trade secrets and business know-how of Seller, relating to devices and processes which are useful in the Human RFID Field, including specifically the past, present and future information and Know-How (as defined in section 1.1(g) above) used or useful in the manufacture of the Human RFID Product, components related thereto, including readers, transponders, implanters, and packaging devices, and related services, and under any other intellectual property owned by Seller or its Affiliates that is, or could be, used for human applications whether or not covered in the Retained Patents, that exist as of the date of this Agreement.

(v) "Licensed Territory" means the world.

(vi) "Subject Technology" means the Retained Patents, the Know-How, any copyrights related to the Know-How, and all improvements, that exist as of the date of this Agreement.

(b) Covenant Not to Sue

(i) Each of Digital Angel and Seller on its own behalf and on behalf of all of its Affiliates, irrevocably relinquishes to Buyer, waives with respect to Buyer and agrees to not assert against any Buyer Party at any time after the Closing Date, any and all claims Seller or Digital Angel may have, now or in the future, whether arising at law or equity (including rights of accounting, notice of transfer or disclosure and sharing of profits,

but excluding only the rights and obligations expressly set forth in this Agreement), relating to or arising out of the Subject Technology, arising from the manufacture, use, sale, offer for sale, importation, modification or improvement of any product or service in the Human RFID Field, including, without limitation, claims for patent and copyright infringement.

(ii) Each of Digital Angel and Seller, on its own behalf and on behalf of all of its Affiliates, covenants not to sue any Buyer Party in connection with any Improvements, Digital Angel and Seller acknowledging that Buyer Parties may copy, make derivative works of, sublicense, distribute and publicly perform any of the Subject Technology including any Improvements thereto, subject only to the obligations of Section 10.2 below.

(iii) Each of Digital Angel and Seller irrevocably covenants to require (i) any transferee, assignee or successor to any of the Subject Technology and (ii) any exclusive licensee of any of the Subject Technology to agree that it will be bound by the covenant not to assert claims against the Buyer Parties set forth in this Section 4.7, and that it will require any of its transferees, assignees or successors to agree to be bound by such covenant.

[REDACTED]

[REDACTED]

[REDACTED]

(d) Term and Termination. The term applicable to this Section 4.7 shall begin on the Effective Date and shall continue until the expiration of all of the rights under the Subject Technology. No termination or expiration of the Agreement shall cause this Section 4.7 to terminate.

(e) Assignment. Seller shall not assign or license the Retained Patents or the Know-How to any assignee or licensee whose business includes the manufacture or sale of Human RFID Product. Buyer may transfer, assign and sublicense any of the rights, privileges, obligations, or benefits conferred by this Section 4.7



except to any entity whose business would be competitive with Seller's or Digital Angel's.

4.8 Additional Seller Covenants. Seller, on behalf of itself, its Affiliates, and its successors and assigns covenants and agrees that it shall not transfer, assign, sublicense or otherwise grant to any third party, rights to use any of the rights under the Retained Patents or Know-How in the Human RFID Field.

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**ARTICLE 12.**  
**NON-COMPETITION**

12.1 Non-Competition. During the period beginning on the Closing Date and ending five (5) years later (the "Non-Compete Period"), (i) the Buyer and its successors and assigns shall not engage (whether as an owner, operator, manager, employee, officer, director, consultant, advisor, representative or otherwise), directly or indirectly anywhere in any business competitive with Seller and/or Seller's business operations (as presently conducted by the Closing Date), and (ii) the Seller, Digital Angel, and their respective successors and assigns shall not engage (whether as an owner, operator, manager, employee, officer, director, consultant, advisor, representative or otherwise), directly or indirectly anywhere in any business competitive with Buyer and/or Buyer's business operations (as conducted prior to May 15, 2008) or grant to any third party a license to use the Retained Patents in the Human RFID Field. The Buyer, the Seller and Digital Angel each expressly acknowledge and agree that each and every restriction imposed by this Section 12.1 is reasonable with respect to subject matter and time period.



**ARTICLE 13.**  
**TERMINATION**



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IN WITNESS WHEREOF, Seller, Digital Angel and Buyer have caused this Agreement to be duly executed as of the date first above written.

**SELLER:**

DISTRON TRADING CORPORATION

By: *Justin J. Hill*

DIGITAL ANGEL CORPORATION

By: *Justin J. Hill*

**BUYER:**

VEVECHIP CORPORATION

By: \_\_\_\_\_

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**PATENT**  
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IN WITNESS WHEREOF, Seller, Digital Angel and Buyer have caused this Agreement to be duly executed as of the date first above written.

**SELLER:**

DESTRON FEARING CORPORATION

By: \_\_\_\_\_

DIGITAL ANGELO CORPORATION

By: \_\_\_\_\_

**BUYER:**

VERICIP CORPORATION

By:  \_\_\_\_\_

**SCHEDULE 1.3(a) - ASSIGNED PATENTS**

Patent #	Title
7,125,382	"Embedded Bio-Sensor System"
7,297,112	"Embedded Bio-Sensor System"
2008/0033273	"Embedded Bio-Sensor System"
7,241,266	"Transponder for Embedded Bio-Sensor using Body Energy as a Power Source"

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**SCHEDULE 1.1(b) - RETAINED PATENTS**

Patent #	Title
5,523,300	"Multi-Phase Transmitter with Single Receiver Antenna"
5,952,935	"Programmable Channel Search Radar"
6,400,338	"Passive Integrated Transponder Tag with Unitary Antenna Core"
6,947,004	"Passive Integrated Transponder Tag with Unitary Antenna Core"
7,015,826	"Method and Apparatus for Sensing and Transmitting a Body Characteristic of a Host"
7,176,846	"Passive Integrated Transponder Tag with Unitary Antenna Core"
7,432,825	"Interrogation Device and Method for Scanning"

RECORDED: 11/25/2008

**PATENT**  
REEL: 021876 FRAME: 0906

RECORDED: 06/26/2009

**PATENT**  
REEL: 022878 FRAME: 0814