

## PATENT ASSIGNMENT

Electronic Version v1.1  
 Stylesheet Version v1.1

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	SECURITY AGREEMENT
CONVEYING PARTY DATA	
Name	Execution Date
Diamond Coating Technologies LLC	09/02/2011
RECEIVING PARTY DATA	
Name:	SANYO Electric Co., Ltd.
Street Address:	5-5, Keihanondori 2-chome
Internal Address:	Moriguchi-shi
City:	Osaka
State/Country:	JAPAN
Postal Code:	5708677
PROPERTY NUMBERS Total: 16	
Property Type	Number
Patent Number:	5458928
Patent Number:	5626963
Patent Number:	5695832
Patent Number:	5629086
Patent Number:	5691010
Patent Number:	5920143
Patent Number:	6066399
Patent Number:	6528115
Patent Number:	6071103
Patent Number:	6299425
Patent Number:	6354008
Patent Number:	6022622
Patent Number:	6572936
Patent Number:	6534131

OP \$640.00 5458928

Patent Number:	5053245
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Patent Number:	5064682
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**CORRESPONDENCE DATA**

Fax Number: 7035199958

Email: docket@dcpatent.com

*Correspondence will be sent to the e-mail address first; if that is unsuccessful, it will be sent via US Mail.*

Correspondent Name: Ditthavong, Mori &amp; Steiner, P.C.

Address Line 1: 918 Prince Street

Address Line 4: Alexandria, VIRGINIA 22314

NAME OF SUBMITTER:

Arthur J. Steiner

**Total Attachments: 5**

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## PATENT SECURITY AGREEMENT

THIS PATENT SECURITY AGREEMENT (this "Agreement"), dated as of March 31, 2011, is made by Diamond Coating Technologies, LLC, a Delaware limited liability company ("Grantor"), in favor of SANYO Electric Co., Ltd., a Japanese corporation ("SANYO").

### WITNESSETH:

WHEREAS, pursuant to the terms of that certain Patent Assignment and Transfer Agreement, dated of an even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time), by and among the Grantor and SANYO (the "Patent Assignment Agreement"), SANYO has agreed to convey, transfer, assign and deliver to the Grantor, and the Grantor has agreed to take delivery of and acquire from SANYO, all of SANYO's right, title and interest, including, "Patent Rights" (as defined herein), in and to the "Assets" (as defined herein); and

WHEREAS, the Grantor has agreed, pursuant to Article VI of the Patent Assignment Agreement, to grant SANYO a lien on and security interest in the "Collateral" (as defined herein).

NOW, THEREFORE, in consideration of the premises and to induce SANYO to enter into the Patent Assignment Agreement and to make the grant of rights to the Grantor thereunder, the Grantor hereby agrees with SANYO as follows:

#### Section 1. Definitions.

1. "Accounts" has the meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.
2. "Assets" means Patents listed on attached Schedule A.
3. "Collateral" means all of the Grantor's right, title and interest in, to and under all of the Assets, and all Accounts, General Intangibles, Payment Intangibles, Receivables, Receivables Records and the Proceeds, in each case, to the extent arising from or generated by the exploitation of the Assets (but not including cash).
4. "General Intangibles" has the meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.
5. "Patent Rights" with respect to any Patent includes all worldwide legal rights, whether or not filed, perfected, registered or recorded, that may exist under the laws of any jurisdiction to and under such Patent, including the right and power to assert, defend and recover title to and collect damages for past, present, and future infringement, misappropriation, impairment or unauthorized use of the Patent, the right and power to exclude others from practicing the Patent, and the right and power to seek

temporary restraining orders, preliminary and permanent injunctions, and other equitable relief for infringement or misappropriation of the Patent.

6. "Patents" mean, for any given patent or patent application, all patents, divisionals, continuations, continuations-in-part, reissues, reexaminations and extensions thereof and all pending applications therefor, and all foreign counterparts thereof (including statutory invention registrations) and all pending applications therefor, and any patents resulting therefrom.

7. "Payment Intangibles" has the meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.

8. "Proceeds" has the meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.

9. "Receivables" has meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.

10. "Receivables Records" has the meaning set forth in Article 9 of the UCC as in effect from time to time in the State of New York.

11. "Secured Obligations" means all the Revenue Share Payment (as defined in the Patent Assignment Agreement) obligations and any other payment obligations of the Grantor under the Patent Assignment Agreement and this Agreement.

12. "UCC" means the Uniform Commercial Code as in effect from time to time in the State of New York.

Section 2. Grant of Security Interest in Patent Collateral. The Grantor, as collateral security for the prompt and complete payment and performance when due of the Secured Obligations of such Grantor, hereby mortgages, pledges, hypothecates and grants to SANYO a lien on and security interest in all of its right, title and interest in, to and under the Collateral.

Section 3. Patent Assignment Agreement. The Grantor hereby acknowledges and agrees that the rights and remedies of SANYO with respect to the Security Interest in the Collateral made and granted hereby are more fully set forth in the Patent Assignment Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein. In the event of any conflict between the Patent Assignment Agreement and this Patent Security Agreement, the terms of the Patent Assignment Agreement shall control.

Section 4. Counterparts. This Patent Security Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together

shall constitute one and the same agreement. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart.

Section 5.     Governing Law. This Patent Security Agreement and the rights and obligations of the parties hereto shall be governed by, and construed and interpreted in accordance with, the law of the State of New York.

**[Remainder of Page Intentionally Left Blank; Signature Page Follows]**

IN WITNESS WHEREOF, the undersigned has executed this Patent Security Agreement  
this 2 day of September, 2011.

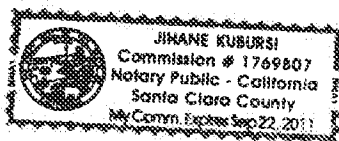
**DIAMOND COATING TECHNOLOGIES, LLC,**  
a Delaware limited liability company

By: *Zahid Rahimtoola*  
Name: Zahid Rahimtoola  
Title: Chief Financial Officer

STATE OF California }  
COUNTY OF Santa Clara } ss:

Before me, the undersigned, a Notary Public of the State of California, personally appeared Zahid Rahimtoola, having been sworn by me according to law did depose and say he/she was the Chief Financial Officer of DIAMOND COATING TECHNOLOGIES, LLC and did acknowledge the execution of the foregoing Patent Security Agreement on behalf of DIAMOND COATING TECHNOLOGIES, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal as of  
this 2nd of Sept., 2011.



*Jihane Kubursi*  
Notary Public

(Notarial Seal)

SCHEDULE I  
TO  
PATENT SECURITY AGREEMENT

List Patents included in the DLC portfolio pursuant to the categories listed in the schedule below—add columns as necessary.

No.	Patent No.	Date of Patent	Country	Appl. No.	File Date
1	5458928 2840502	1995-10-17	US JP	08/070726 H04142745	1993-06-02
2	5626963 5695832 5629086 P4423184.9 2975817 3025743	1997-05-06 1997-12-09 1997-05-13	US US US DE JP JP	08/259480 08/464545 08/464544 P4423184.9 H05207912 H06119224	1994-06-14 1995-06-05 1995-06-05
3	5691010 3263499 3378626	1997-11-25	US JP JP	08/324783 H05261120 H05298241	1994-10-18
4	5920143 3416470	1999-07-06	US JP	08/893091 H09171780	1997-07-15
5	6066399 6528115 3378758 3609591	2000-05-23 2003-03-04	US US JP JP	09/045163 09/502531 H09066126 H09259833	1998-03-19 2000-02-10
6	6071103 6299425	2000-06-06 2001-10-09	US US	08/895999 09/500533	1997-07-17 2000-02-09
7	6354008 3649873	2002-03-12	US JP	09/156825 H09256986	1998-09-21
8	6022622 6572936	2000-02-08 2003-06-03	US US	08/923638 09/433077	1997-09-04 1999-11-03
9	6534131	2003-03-18	US	09/762975	2000-06-19
10	5053245 5064682 3021488 2562724 2889620	1991-10-01 1991-11-12	US US JP JP JP	07/603114 07/601627 H01280251 H02255724 H01280252	1990-10-25 1990-10-23