

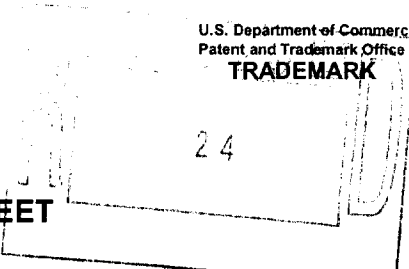
04-24-2000

U.S. Department of Commerce  
Patent and Trademark Office  
TRADEMARK



101332609

RECORDATION FORM COVER SHEET  
TRADEMARKS ONLY



MRD

3.24.00

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- New
- Resubmission (Non-Recordation)  
Document ID #
- Correction of PTO Error  
Reel #  Frame #
- Corrective Document  
Reel #  Frame #

Conveyance Type

- Assignment  License
  - Security Agreement  Nunc Pro Tunc Assignment
  - Merger
  - Change of Name
  - Other
- Effective Date  
Month Day Year

Conveying Party

Mark if additional names of conveying parties attached

Execution Date  
Month Day Year

Name

Formerly

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

Receiving Party

Mark if additional names of receiving parties attached

Name

DBA/AKATA

Composed of

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

- Individual  General Partnership  Limited Partnership  Corporation  Association
- Corporation  Association
- Other
- Citizenship/State of Incorporation/Organization

If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative should be attached. (Designation must be a separate document from Assignment.)

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04/21/2000 DNGUYEN 00000307 1907434

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40.00 DP

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Mail documents to be recorded with required cover sheet(s) information to:  
Commissioner of Patents and Trademarks, Box Assignments, Washington, D.C. 20231

TRADEMARK  
REEL: 002057 FRAME: 0191

**Domestic Representative Name and Address**

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Correspondent Name and Address**

Area Code and Telephone Number

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

**Pages** Enter the total number of pages of the attached conveyance document including any attachments.

#

**Trademark Application Number(s) or Registration Number(s)**

Mark if additional numbers attached

Enter either the Trademark Application Number or the Registration Number (DO NOT ENTER BOTH numbers for the same property).

Trademark Application Number(s)			Registration Number(s)		
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="1907434"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Number of Properties** Enter the total number of properties involved.

#

**Fee Amount** Fee Amount for Properties Listed (37 CFR 3.41):

\$

Method of Payment: Enclosed  Deposit Account

Deposit Account

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes

No

**Statement and Signature**

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Bernard J. Podurgiel, Esq.

*B. J. Podurgiel*

3-22-00

Name of Person Signing

Signature

Date Signed

**TRADEMARK ASSIGNMENT**

WHEREAS, Citizens Bank of Massachusetts ("Assignor") holds certain rights in the mark(s) identified in Schedule 1 hereto (collectively, the "Marks") pursuant to the security document(s) identified in Schedule 1 hereto (collectively, the "Trademark Collateral");

WHEREAS, pursuant to that certain Purchase and Assumption Agreement, dated as of February 23, 2000, Assignor transferred to Republic Business Credit Corporation ("Assignee") all of Assignor's rights and obligations under that certain Amended and Restated Credit Agreement with Genfoot America Inc. and DuFFS International, Inc., dated June 30, 1999, which is secured in part by the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns unto Assignee all of Assignor's right, title and interest in and to the Marks pursuant to the Trademark Collateral, together with the good will of the business symbolized by the Marks and all registrations, renewals and statements of use thereof.

Assignor hereby represents and warrants that it is the sole lawful owner of the rights transferred hereby and that it has good right to sell and transfer the same to Assignee.

IN WITNESS WHEREOF, this assignment has been executed by the duly authorized officer of each party hereto to be effective as of the 23<sup>rd</sup> day of February, 2000.

Assignor:

CITIZENS BANK OF MASSACHUSETTS

By: And R. Fyfe

Its: vice president

Assignee:

REPUBLIC BUSINESS CREDIT CORPORATION

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

Its: \_\_\_\_\_

**TRADEMARK ASSIGNMENT**

WHEREAS, Citizens Bank of Massachusetts ("Assignor") holds certain rights in the mark(s) identified in Schedule 1 hereto (collectively, the "Marks") pursuant to the security document(s) identified in Schedule 1 hereto (collectively, the "Trademark Collateral");

WHEREAS, pursuant to that certain Purchase and Assumption Agreement, dated as of February 23, 2000, Assignor transferred to Republic Business Credit Corporation ("Assignee") all of Assignor's rights and obligations under that certain Amended and Restated Credit Agreement with Genfoot America Inc. and DuFFS International, Inc., dated June 30, 1999, which is secured in part by the Trademark Collateral;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Assignor hereby assigns unto Assignee all of Assignor's right, title and interest in and to the Marks pursuant to the Trademark Collateral, together with the good will of the business symbolized by the Marks and all registrations, renewals and statements of use thereof.

Assignor hereby represents and warrants that it is the sole lawful owner of the rights transferred hereby and that it has good right to sell and transfer the same to Assignee.

IN WITNESS WHEREOF, this assignment has been executed by the duly authorized officer of each party hereto to be effective as of the 23 day of February, 2000.

Assignor:

CITIZENS BANK OF MASSACHUSETTS

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

Its: \_\_\_\_\_

Assignee:

REPUBLIC BUSINESS CREDIT CORPORATION

By: Mark Fallon

Its: S.R. VP.

Schedule 1

**Security Document(s):**

Intellectual Property Security Agreement, dated June 30, 1999, by and between DuFFS International, Inc. and Citizens Bank of Massachusetts (as successor in interest and assignee of State Street Bank and Trust Company) (attached as Exhibit A hereto).

**Assigned Marks:**

Mark	Registration No./Serial No.
DuFFS	1,907,434

# INTELLECTUAL PROPERTY SECURITY AGREEMENT

June 30, 1999

from

DUFFS INTERNATIONAL, INC.

as Grantor,

to

STATE STREET BANK AND TRUST COMPANY,

as Lender

EXHIBIT A

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## SCHEDULES

- Schedule I - Patents and Patent Applications
- Schedule II - Trademark Registrations and Applications
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- Schedule IV - Licenses

## EXHIBITS

- Exhibit A Form of Intellectual Property Security Agreement Supplement



# INTELLECTUAL PROPERTY SECURITY AGREEMENT

**INTELLECTUAL PROPERTY SECURITY AGREEMENT** dated as of June 30, 1999 made by DuFFS International, Inc., a Delaware corporation, with an office at the address set forth on the signature page hereto ("Grantor"), for the benefit of STATE STREET BANK AND TRUST COMPANY ("Lender"). All capitalized terms used herein, unless otherwise defined, shall be defined as provided in the Credit Agreement (as defined below).

WHEREAS, Grantor has joined an Amended and Restated Credit Agreement dated June 30, 1999 (said Agreement, as it may hereafter be amended, restated or otherwise modified from time to time, being the "Credit Agreement"; the terms defined therein and not otherwise defined herein being used herein as therein defined) with Lender, pursuant to which the Lender has agreed to make a Term Loan and Revolving Credit Advances (each as defined in the Credit Agreement) to the Grantor upon the terms and subject to the conditions contained therein and all on the condition that the Grantor enter into this Intellectual Property Security Agreement.

WHEREAS, it is a condition precedent to Lender entering into the Credit Agreement and the further making of Revolving Credit Advances by Lender that Grantor shall have granted the security interest and made the pledge and grant of the security interest contemplated by this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce Lender to enter into the Credit Agreement and to make further Advances under the Credit Agreement with Grantor from time to time, Grantor hereby agrees with Lender for its benefit as follows:

SECTION 1. Grant of Security. Grantor hereby grants and pledges to Lender for its benefit and hereby grants to Lender for its benefit a security interest in the following, in each case, as to each type of property described below, whether now owned or hereafter acquired by such Grantor, and whether now or hereafter existing (collectively, the "Intellectual Property Collateral"):

(a) all patents, patent applications and patentable inventions, including, without limitation, each patent identified in Schedule I attached hereto and made a part hereof and each patent application identified in such Schedule I, and including, without limitation, (i) all inventions and improvements described and claimed therein and the right to make, use or sell the same, (ii) the right to sue or otherwise recover for any misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past and future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all reissues, divisions, continuations, continuations-in-part, substitutes, renewals and extensions thereof, all improvements thereon and all other rights of any kind whatsoever of each Grantor accruing thereunder or pertaining thereto (the "Patents");

(b) all trademarks, service marks, trade names, trade dress or other indicia of trade origin, trademark and service mark registrations, and applications for trademark or service mark registrations and any renewals thereof, including, without limitation, each registration and application identified in Schedule II attached hereto and made a part hereof, and including, without limitation, (i) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (ii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iii) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto, together in each case with the goodwill of the business connected with the use of, and symbolized by, each such trademark, service mark, trade name, trade dress or other indicia of trade origin (the "Trademarks");

(c) all copyrights, whether statutory or common law, and whether or not the underlying works of authorship have been published, and all works of authorship and other intellectual property rights therein, all copyrights of works based on, incorporated in, derived from or relating to works covered by such copyrights, all right, title and interest to make and exploit all derivative works based on or adopted from works covered by such copyrights, and all copyright registrations and copyright applications, and any renewals or extensions thereof, including, without limitation, each copyright registration and copyright application identified in Schedule III attached hereto and made a part hereof, and including, without limitation, (i) the right to reproduce, prepare derivative works, distribute copies, perform or display any of the foregoing, (ii) the right to sue or otherwise recover for any and all past, present and future infringements and misappropriations thereof, (iii) all income, royalties, damages and other payments now and hereafter due and/or payable with respect thereto (including, without limitation, payments under all licenses entered into in connection therewith, and damages and payments for past or future infringements thereof), and (iv) all rights corresponding thereto throughout the world and all other rights of any kind whatsoever of Grantor accruing thereunder or pertaining thereto (the "Copyrights");

(d) all license agreements with any other Person in connection with any of the Patents, Trademarks or Copyrights, or such other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship, or other intellectual property, whether such Grantor is a licensor or licensee under any such license agreement, including, without limitation, the license agreements listed on Schedule IV attached hereto and made a part hereof, and any right to prepare for sale, sell and advertise for sale, all Inventory (as defined in the Security Agreement) now or hereafter owned by Grantor and now or hereafter covered by any such licenses (the "Licenses" and each a "License"); and

(e) all proceeds of any of the foregoing Patents, Trademarks, Copyrights and Licenses, including, without limitation, any claims by such Guarantor against third parties for infringement of the Patents, Trademarks, Copyrights or Licenses.

SECTION 2. Security for Lender Obligations. This Agreement secures the payment of all obligations of Grantor now or hereafter existing under the Credit Agreement and all other documents or agreements executed in connection therewith, whether for principal, interest, fees, expenses or otherwise (the "Secured Obligations").

SECTION 3. Grantor Remains Liable. Anything herein to the contrary notwithstanding, (a) Grantor shall remain liable under the contracts and agreements included in the Intellectual Property Collateral to which it is a party to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Agreement had not been executed. (b) the exercise by Lender of any of the rights or remedies hereunder shall not release Grantor from any of its duties or obligations under any of the contracts and agreements included in the Intellectual Property Collateral, and (c) Lender shall have no obligation or liability under any of the contracts and agreements included in the Intellectual Property Collateral by reason of this Agreement, nor shall Lender be obligated to perform any of the obligations or duties of Grantor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder.

SECTION 4. Representations and Warranties. Grantor represents and warrants as follows:

(a) Grantor is the legal and beneficial owner of the Intellectual Property Collateral pledged by Grantor free and clear of any lien, claim, option or right of others, except for the liens and security interests created under this Agreement or permitted under the Credit Documents (including, without limitation, any liens disclosed on Schedules 3 and 5(f) to the Credit Agreement). No effective financing statement or other instrument similar in effect covering all or any part of the Intellectual Property Collateral or listing Grantor or any of its Subsidiaries or any trade name of Grantor or any of its Subsidiaries as debtor is on file in any recording office (including, without limitation, the United States Patent and Trademark Office and the United States Copyright Office), except such as may have been filed in favor of Lender relating to this Agreement or one of the other Credit Documents.

(b) Set forth in Schedule I is a complete and accurate list of all patents owned by Grantor. Set forth in Schedule II is a complete and accurate list of all trademark and service mark registrations and all trademark and service mark applications owned by Grantor. Set forth in Schedule III is a complete and accurate list of all copyright registrations and copyright applications owned by Grantor. Set forth in Schedule IV is a complete and accurate list of all Licenses in which Grantor is (i) a licensor with respect to any of the Patents, Trademarks, or Copyrights or (ii) a licensee of any other Person's patents, trade names, trademarks, service marks, copyrights or works of authorship. Grantor has made all necessary filings and recordations to protect and maintain its interest in the patents, patent applications, trademark and service mark registrations, trademark and service mark applications, copyright registrations and copyright applications and Licenses set forth in Schedules I, II, III and IV hereto.

(c) Each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, and copyright application of

Grantor set forth in Schedule I, II or III hereto is subsisting and has not been adjudged invalid, unregistrable or unenforceable, in whole or in part, and is valid, registrable and enforceable. Each License of Grantor identified in Schedule IV is subsisting and has not been adjudged invalid or unenforceable, in whole or in part, and is valid and enforceable. Grantor is not aware of any uses of any item of Intellectual Property Collateral which would be expected to lead to such item becoming invalid or unenforceable, including unauthorized uses by third parties and uses which were not supported by the goodwill of the business connected with such Intellectual Property Collateral.

(d) Grantor has not made any previous assignment, transfer or agreement constituting a present or future assignment, transfer or encumbrance of any of the Intellectual Property Collateral. Grantor has not granted any License (other than those listed on Schedule IV hereto), release, covenant not to sue, or non-assertion assurance to any Person with respect to any part of the Intellectual Property Collateral.

(e) Grantor has used proper statutory notice in connection with its use of each patent, registered trademark and service mark and copyright contained in Schedule I, II or III.

(f) This Agreement creates in favor of Lender a valid and perfected first and only priority security interest in the Intellectual Property Collateral of Grantor, securing the payment of the Secured Obligations.

(g) No consent of any Person and no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body or other Person is required (i) for the grant by Grantor of the security interest granted hereby, for the pledge by Grantor of the Intellectual Property Collateral pursuant hereto, or for the execution, delivery or performance of this Agreement by Grantor, (ii) for the perfection or maintenance of the pledge and security interest created hereby (including the first and only priority nature of such pledge and security interest), except for the filing of financing and continuation statements under the Uniform Commercial Code, which financing statements are in proper form and are duly executed, and the filing and recording of this Agreement in the United States Patent and Trademark Office against each patent, patent application, trademark or service mark registration, trademark or service mark application, and in the U.S. Copyright Office against each copyright registration, and copyright application of Grantor set forth in Schedule I, II or III hereto, or (iii) for the exercise by the of its rights provided for in this Agreement or the remedies in respect of the Intellectual Property Collateral pursuant to this Agreement.

(h) There are no claims by any third party relating to any item of Intellectual Property Collateral.

(i) No claim has been made and is continuing or threatened that any item of Intellectual Property Collateral is invalid or unenforceable or that the use by Grantor of any Intellectual Property Collateral does or may violate the rights of any Person. To the best of

Grantor's knowledge, there is currently no infringement or unauthorized use of any item of Intellectual Property Collateral.

(j) Grantor has taken all reasonably necessary steps to use consistent standards of quality in the manufacture, distribution and sale of all products sold and the provision of all services provided under or in connection with any of the Intellectual Property Collateral and has taken all necessary steps to ensure that all licensed users of any of the Intellectual Property Collateral use such consistent standards of quality.

SECTION 5. Further Assurances.

(a) Grantor agrees that from time to time, at the expense of Grantor, Grantor shall promptly execute and deliver all further instruments and documents, and take all further action, that Lender believes may be reasonably necessary or reasonably desirable, or that Lender may reasonably request, in order to perfect and protect any pledge or security interest granted or purported to be granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder with respect to any part of the Intellectual Property Collateral. Without limiting the generality of the foregoing, Grantor will, upon the reasonable request of Lender, with respect to the Intellectual Property Collateral owned by Grantor, execute and file such financing or continuation statements, or amendments thereto, and such other instruments or notices, as may be reasonably necessary or desirable, or as Lender may reasonably request, in order to perfect and preserve the pledge and security interest granted or purported to be granted hereby.

(b) Grantor hereby authorizes Lender to file one or more financing or continuation statements, and amendments thereto, relating to all or any part of the Intellectual Property Collateral without the signature of Grantor where permitted by law. A photocopy or other reproduction of this Agreement or any financing statement covering the Intellectual Property Collateral or any part thereof will be sufficient as a financing statement where permitted by law.

(c) Grantor will furnish to Lender from time to time statements and schedules further identifying and describing the Intellectual Property Collateral and such other reports in connection with the Intellectual Property Collateral as Lender may reasonably request, all in reasonable detail.

(d) Grantor agrees that, should it obtain an ownership interest in any patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, other indicia of trade origin, trademark or service mark registration, trademark or service mark application, copyright, copyright registration, copyright application, work of authorship or License, which is not now a part of the Intellectual Property Collateral, (i) the provisions of Section 1 will automatically apply thereto, and (ii) any such patent, patent application, patentable invention, trademark, service mark, trade name, trade dress, indicia of trade origin, trademark or service mark registration, trademark or service mark application (together with the goodwill of

the business connected with the use of same and symbolized by same). copyright, copyright registration, copyright application, work of authorship or License will automatically become part of the Intellectual Property Collateral. Grantor further agrees that it shall deliver to Lender a written report, in reasonable detail, on a semi-annual basis (starting, for this year, on December 31, 1999, and thereafter on June 30 and December 31 of each succeeding year), setting forth each new patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or License that Grantor has filed, acquired or otherwise obtained in the preceding six month reporting period. Grantor authorizes Lender to modify this Agreement by amending Schedules I, II, III and IV hereto (and shall cooperate with Lender in effecting any such amendment) to include any patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, copyright application or License which becomes part of the Intellectual Property Collateral.

(e) With respect to each patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration and copyright application set forth in Schedule I, II or III hereto. Grantor agrees to take all necessary or desirable steps, including, without limitation, in the United States Patent and Trademark Office and the United States Copyright Office or in any court, to (i) maintain each such patent, trademark or service mark registration, and copyright registration, and (ii) pursue each such patent application, trademark or service mark application and copyright application now or hereafter included in the Intellectual Property Collateral, including, without limitation, the filing of responses to office actions issued by the United States Patent and Trademark Office, the filing of affidavits under Sections 8 and 15 of the United States Trademark Act, the filing of divisional, continuation, continuation-in-part and substitute applications, the filing of applications for re-issue, renewal or extensions, the payment of maintenance fees, and the participation in interference, reexamination, opposition, cancellation, infringement and misappropriation proceedings. Grantor agrees to take corresponding steps with respect to each new or acquired patent, patent application, trademark or service mark registration, trademark or service mark application, copyright registration, or copyright application to which it is now or later becomes entitled. Any and all expenses incurred in connection with such activities will be borne by Grantor. Grantor shall not discontinue use of or otherwise abandon any patent, patent application, trademark or service mark, trademark or service mark registration, trademark or service mark application, copyright registration, or copyright application now or hereafter included in the Intellectual Property Collateral, unless Grantor shall have first determined in its reasonable business judgment that such use or pursuit or maintenance of same is no longer desirable in the conduct of Grantor's business, in which case, Grantor shall give written notice of any such abandonment or discontinuance to the Lender pursuant to the semi-annual reporting requirement contained in Section 5(d) above.

(f) Grantor agrees to notify the Lender promptly and in writing if it learns (i) that any item of the Intellectual Property Collateral has been determined to have become abandoned or dedicated to the public, (ii) of the institution of any proceeding (including, without limitation, the institution of any proceeding in the United States Patent and Trademark Office or

any court) regarding any item of the Intellectual Property Collateral, or (iii) of any adverse determination.

(g) In the event that Grantor makes a determination in its reasonable business judgment that any item of the Intellectual Property Collateral is infringed or misappropriated by a third party, Grantor shall promptly notify Lender and will take such actions as Grantor or Lender deems appropriate under the circumstances to protect such Intellectual Property Collateral, including, without limitation, suing for infringement or misappropriation and for an injunction against such infringement or misappropriation. Any expense in connection with such activities will be borne by Grantor.

(h) Grantor shall continue to use proper statutory notice in connection with its use of each of its patents, registered trademarks and service marks, and copyrights contained in Schedule I, II or III.

(i) Grantor shall take all steps which it or Lender deems appropriate under the circumstances to preserve and protect its Intellectual Property Collateral, including, without limitation, maintaining the quality of any and all products or services used or provided in connection with any of the Intellectual Property Collateral, consistent with the quality of the products and services as of the date hereof, and taking all steps necessary to ensure that all licensed users of any of the Intellectual Property Collateral use such consistent standards of quality.

SECTION 6. Transfers and Other Liens. Grantor agrees that it shall not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of (except as provided in Section 5(e)) or grant any option with respect to, any of the Intellectual Property Collateral, or (ii) create or suffer to exist any lien upon or with respect to any of the Intellectual Property Collateral except for the pledge and security interest created by this Agreement.

SECTION 7. Lender Appointed Attorney-in-Fact. Grantor hereby irrevocably appoints Lender's attorney-in-fact, with full authority in the place and stead of such Grantor and in the name of such Grantor or otherwise, upon the occurrence and during the continuance of an Event of Default and upon notice to such Grantor to take any action and to execute any instrument that Lender may deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask for, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Intellectual Property Collateral;

(b) to receive, endorse and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and

(c) to file any claims or take any action or institute any proceedings that Lender may deem necessary or desirable to enforce the rights of Lender with respect to any of the Intellectual Property Collateral.

SECTION 8. Lender May Perform. If Grantor fails to perform any agreement contained herein, Lender may itself, upon fifteen (15) days' notice to Grantor, perform, or cause performance of, such agreement, and the reasonable expenses of Lender incurred in connection therewith shall be borne by Grantor.

SECTION 9. Lender's Duties. The powers conferred on Lender hereunder are solely to protect its interest in the Intellectual Property Collateral and shall not impose any duty upon it to exercise any such powers. Except for the safe custody of any Intellectual Property Collateral in its possession and the accounting for moneys actually received by it hereunder, Lender shall have no duty as to any Intellectual Property Collateral, whether or not Lender has or is deemed to have knowledge of such matters, or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Intellectual Property Collateral. Lender shall exercise reasonable care in the custody and preservation of any Intellectual Property Collateral in its possession and shall accord such Intellectual Property Collateral treatment equal to that which Lender accords its own property.

SECTION 10. Remedies. If any Event of Default shall have occurred and be continuing:

(a) Lender may exercise in respect of the Intellectual Property Collateral, in addition to other rights and remedies provided for herein or in any other Document or otherwise available to it, all the rights and remedies of a secured party upon default under the Uniform Commercial Code in effect in the Commonwealth of Massachusetts at such time (the "Massachusetts Uniform Commercial Code") (whether or not the Massachusetts Uniform Commercial Code applies to the affected Intellectual Property Collateral) and also may (i) require Grantor to, and Grantor hereby agrees that it will at its expense and upon request of Lender forthwith, assemble all or part of the documents and things embodying any part of the Intellectual Property Collateral as directed by Lender and make them available to Lender at a place and time to be designated by Lender; (ii) without notice except as specified below and as required by law, sell the Intellectual Property Collateral or any part thereof in one or more parcels at public or private sale, at any of Lender's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as Lender may deem commercially reasonable; and (iii) occupy any premises owned or leased by Grantor where documents and things embodying the Intellectual Property Collateral or any part thereof are assembled or located for a reasonable period in order to effectuate its rights and remedies hereunder or under law, without obligation to Grantor in respect of such occupation. In the event of any sale, assignment, or other disposition of any of the Intellectual Property Collateral, the goodwill of the business connected with and symbolized by any of the Intellectual Property Collateral subject to such disposition will be included, and Grantor will supply to Lender or its designee Grantor's know-how and expertise, and documents and things embodying the same, relating to the manufacture, distribution, advertising and sale of products or the provision of services relating to any Intellectual Property



Collateral subject to such disposition and, including, but not limited to, Grantor's customer lists and other records and documents relating to such Intellectual Property Collateral and to the manufacture, distribution, advertising and sale of such products and services. Grantor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' notice to Grantor of the time and place of any public sale or the time after which any private sale is to be made will constitute reasonable notification. Lender shall not be obligated to make any sale of Intellectual Property Collateral regardless of notice of sale having been given. Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice except as required by law, be made at the time and place to which it was so adjourned.

(b) All cash proceeds received by Lender in respect of any sale of, collection from, or other realization upon, all or any part of the Intellectual Property Collateral may, in the discretion of Lender, be held by Lender as collateral for, and/or then or at any time thereafter applied (after payment of any amounts payable to Lender pursuant to Section 11(b)), in whole or in part, by Lender, for its benefit against all or any part of the Secured Obligations in such order as the Credit Agreement may require and otherwise as Lender may elect. Any surplus of such cash or cash proceeds held by Lender and remaining after payment in full of all of the Secured Obligations shall be paid over to the applicable Grantors or to whomever may be lawfully entitled to receive such surplus.

(c) Lender may exercise any and all rights and remedies of Grantor in respect of the Intellectual Property Collateral.

(d) All payments received by Grantor in respect of the Intellectual Property Collateral shall be received in trust for the benefit of Lender, shall be segregated from other funds of Grantor and shall be forthwith paid over to Lender in the same form as so received (with any necessary or desirable endorsement or assignment).

#### SECTION 11. Indemnity and Expenses.

(a) Grantor hereby agrees to indemnify Lender from and against any and all claims, losses and liabilities arising out of or resulting from this Agreement (including, without limitation, enforcement of this Agreement), except claims, losses or liabilities resulting from Lender's gross negligence or willful misconduct as determined by a final non-appealable judgment of a court of competent jurisdiction.

(b) Grantor will, upon demand, pay to Lender the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, that the Lender may incur in connection with (i) the administration of this Agreement, (ii) the custody, preservation, use, or operation of, or the sale of, collection from or other realization upon, any of the Intellectual Property Collateral, (iii) the exercise or enforcement of any of the rights of the Lender or Lenders hereunder or (iv) the failure by Grantor to perform or observe any of the provisions hereof.

SECTION 12. Security Interest Absolute. The obligations of Grantor under this Agreement are independent of the Secured Obligations, and a separate action or actions may be brought and prosecuted against Grantor to enforce this Agreement, irrespective of whether any action is brought against Grantor or whether Grantor is joined in any such action or actions. All rights of Lender and the pledge and security interest created hereunder, and all obligations of Grantor hereunder, shall be absolute and unconditional, irrespective of:

- (a) any lack of validity or enforceability of any Document or any other agreement, instrument or document relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations or any other amendment, restatement or other modification or waiver of or any consent to any departure from any Document, including, without limitation, any increase in the Secured Obligations resulting from the extension of additional credit to Grantor or any Guarantor or any of their Subsidiaries or otherwise;
- (c) any taking, exchange, release or non-perfection of any other collateral, or any taking, release or amendment, restatement, other modification or waiver of or consent to any departure from any guaranty, for all or any of the Secured Obligations;
- (d) any manner of application of collateral, or proceeds thereof, to all or any of the Secured Obligations, or any manner of sale or other disposition of any collateral for all or any of the Secured Obligations or any other assets of Grantor, any Guarantor or any of their Subsidiaries;
- (e) any change, restructuring or termination of the corporate structure or existence of Grantor or any Guarantor or any of their Subsidiaries; or
- (f) any other circumstance that might otherwise constitute a defense available to, or a discharge of, Grantor or a third party grantor of a security interest.

SECTION 13. Amendments, Waivers, Supplements, Etc.

- (a) No amendment or waiver of any provision of this Agreement, and no consent to any departure by Grantor herefrom, shall in any event be effective unless the same shall be in writing and signed by Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.
- (b) No failure on the part of Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.
- (c) Upon the execution and delivery by any Person of an intellectual property security agreement supplement, in each case in substantially the form of Exhibit A hereto (each

an "Intellectual Property Security Agreement Supplement"), (i) such Person shall be referred to as an "Additional Grantor" and shall be and become a Grantor, and each reference in this Agreement to "Grantor" shall also mean and be a reference to such Additional Grantor and each reference in any other Document to a "Grantor" shall also mean and be a reference to such Additional Grantor, and (ii) the annexes attached to each Intellectual Property Security Agreement Supplement shall be incorporated into and become a part of and supplement Schedules I, II, III and IV, as appropriate, hereto and Lender may attach such annexes as supplements to such Schedules, and each reference to such Schedules shall mean and be a reference to such Schedules, as so supplemented.

SECTION 14. Addresses for Notices. All notices and other communications provided for hereunder shall be in writing (including telegraphic, telecopy or telex communication) and mailed, telegraphed, telecopied, telexed or delivered, if to Grantor, addressed to it at the address set forth below its name on the signature page hereof; if to any Additional Grantor, addressed to it at the address set forth below its name on the signature page to the Intellectual Property Security Agreement Supplement executed and delivered by such Additional Grantor; if to Lender, addressed to it at its address set forth below its name on the signature page hereof; or, as to each other party, at such other address as shall be designated by such party in a written notice to Grantor and Lender. All such notices and communications shall, when mailed by certified mail, return receipt requested, telegraphed, telecopied or telexed, be effective three (3) days after mailing, upon delivery to the telegraph company, upon transmission by telecopier or upon confirmation by telex answerback, respectively, addressed as aforesaid. Any party hereto may change the Person, address or telecopier number to whom or which notices are to be given hereunder, by notice duly given hereunder; provided, however, that any such notice shall be deemed to have been given hereunder only when actually received by the party to which it is addressed.

SECTION 15. Continuing Security Interest, Assignments. This Agreement shall create a continuing security interest in the Intellectual Property Collateral and shall (a) remain in full force and effect until the latest of (i) the indefeasible payment in full in cash of all of the Secured Obligations, (ii) the expiration, termination or cancellation of all of the Letters of Credit and (iii) the date of termination in whole of all the commitments of Lenders under the Credit Agreement, (b) be binding upon Grantor, its successors and assigns and (c) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lenders and their respective successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), Lender may assign or otherwise transfer all or any portion of its rights and obligations under the Credit Agreement (including, without limitation, all or any portion of its commitment under the Credit Agreement, the Advances owing to it and the Notes held by it) to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to such Lender herein or otherwise.

SECTION 16. Release and Termination.

(a) Upon any sale, lease, transfer or other disposition of any item of Intellectual Property Collateral in accordance with the terms of the Credit Documents, Lender will, at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence the release of such item of Intellectual Property Collateral from the security interest granted hereby; provided, however, that (i) at the time of such request and such release, no Default shall have occurred and be continuing, (ii) Grantor shall have delivered to the Lender, at least thirty (30) Business Days prior to the date of the proposed release, a written request for release describing the item of Intellectual Property Collateral and the terms of the sale, lease, transfer or other disposition in reasonable detail, including the price thereof and any expenses in connection therewith, together with a form of release for execution by Lender and a certification by Grantor to the effect that the transaction is in compliance with the Credit Documents and as to such other matters as Lender may request and (iii) the proceeds of any such sale, lease, transfer or other disposition required to be applied in accordance with the Credit Agreement and (iv) Lender shall have approved such sale, lease, transfer or other disposition in writing.

(b) Upon the latest of (i) the indefeasible payment in full in cash of the Secured Obligations and (ii) the date of termination in whole of all commitments of Lenders under the Credit Agreement, the pledge and security interest granted by each of Grantors hereby shall terminate and all rights to the Intellectual Property Collateral shall revert to Grantor. Upon any such termination, Lender will, upon receipt of a written request and at Grantor's expense, execute and deliver to Grantor such documents as Grantor shall reasonably request to evidence such termination.


SECTION 17. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by the different parties hereto 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. Delivery of an executed counterpart of a signature page to this Agreement by telecopier shall be as effective as delivery of a manually executed counterpart of this Agreement.

SECTION 18. Governing Law; Terms. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts (without giving effect to its conflicts of law principles), except to the extent that the validity or perfection of the security interest hereunder, or remedies hereunder, in respect of the Intellectual Property Collateral are governed by the laws of a jurisdiction other than the Commonwealth of Massachusetts. Unless otherwise defined herein or in the Credit Agreement, terms used in Article 9 of the Massachusetts Uniform Commercial Code are used herein as therein defined.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered by its officer, thereunto duly authorized, as of the date first above written.

DUFFS INTERNATIONAL, INC.

By:   
Name: **Richard G. Cook**  
Title: **Vice President**  
Address:

ACCEPTED:

STATE STREET BANK AND TRUST COMPANY

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF, Grantor has caused this Intellectual Property Security Agreement to be duly executed and delivered by its officer, thereunto duly authorized, as of the date first above written.

DUFFS INTERNATIONAL, INC.

By: \_\_\_\_\_  
Name:  
Title:  
Address:

ACCEPTED:

STATE STREET BANK AND TRUST COMPANY

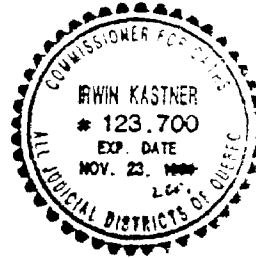
By: *Girard R. Sargent*  
Name: *Girard R. Sargent*  
Title: *Vice President*

PROVINCE OF QUEBEC

On the 22 day of Nov, 1999, before me personally came Richard Cook  
to me known, who, before me duly sworn, did depose and say that he is Vice President  
of DuFFS International, Inc., the corporation described in and which executed the above  
instrument; that he has been authorized to execute said instrument on behalf of said corporation;  
and that he signed said instrument on behalf of said corporation pursuant to said authority.

Irwin Kastner  
Notary Public Commissioner For Oaths  
My Commission Expires: Nov 23, 2001

[Notarial Seal]



TRADEMARK  
REEL: 002057 FRAME: 0214



EXHIBIT A

to

Intellectual Property Security Agreement

**FORM OF INTELLECTUAL PROPERTY  
SECURITY AGREEMENT SUPPLEMENT**

State Street Bank and Trust Company, as Lender  
under the Credit Agreement referred to below  
Attention:

Intellectual Property Security Agreement,  
dated as of June \_\_, 1999,  
made by DuFFS International, Inc.  
to State Street Bank and Trust Company, as Lender

Ladies and Gentlemen:

Reference is made to the above-captioned Intellectual Property Security Agreement (such Intellectual Property Security Agreement, as in effect on the date hereof and as it may hereafter be amended, supplemented, restated or otherwise modified from time to time, being the "Intellectual Property Security Agreement") made by DuFFS International, Inc. to State Street Bank and Trust Company ("Lender"). The terms defined in the Intellectual Property Security Agreement (or in the Credit Agreement referred to therein) and not otherwise defined herein are used herein as therein defined.

The undersigned hereby agrees, as the date first above written, to become a Grantor under the Intellectual Property Security Agreement as if it were an original party thereto and agrees that each reference in the Intellectual Property Security Agreement to "Grantor" shall also mean and be a reference to the undersigned.

The undersigned hereby pledges to Lender, its benefit and hereby grants to Lender, for the its benefit, as security for the Secured Obligations a lien on and security interest in, all of the right, title and interest of the undersigned, whether now owned or hereafter acquired, in and to Intellectual Property Collateral owned by the undersigned, including, but not limited to, the

property listed on Annex I, II, III and IV hereto. Schedules I, II, III and IV to the Intellectual Property Security Agreement are hereby supplemented by Annexes I, II, III and IV hereto, respectively. The undersigned hereby certifies on behalf of such Grantor that such Annexes have been prepared by the undersigned in substantially the form of Schedules I, II, III and IV to the Intellectual Property Security Agreement and are true, accurate and complete in all material respects as of the date hereof.

The undersigned on behalf of such Grantor hereby makes each representation and warranty set forth in Section 4 of the Intellectual Property Security Agreement (as supplemented by the attached Annexes) to the same extent as each other Grantor and hereby agrees to be bound as a Grantor by all of the terms and provisions of the Intellectual Property Security Agreement to the same extent as each other Grantor.

This Intellectual Property Security Agreement Supplement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts.

Very truly yours,

**[NAME OF ADDITIONAL  
INTELLECTUAL PROPERTY  
GRANTOR]**

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

DOCSC\763725.2

**TRADEMARK**  
**REEL: 002057 FRAME: 0217**

**Schedule I: Patents**

## Schedule II: Trademarks

I. Trade Marks: All of the following trademarks are licensed from The Chase Company, Inc. under the terms of an Assignment Agreement by and between DuFFS International, Inc. and The Chase Company, Inc. dated April 30, 1998:

- (1) "DuFFS": U.S. Trademark Registration No. 1,907,434.
- (2) "Section 88 Project": trademark application filed; not pursued.
- (3) "KCK": trademark application filed; not pursued.
- (4) "Kicks": trademark application filed; not pursued.

The foregoing trademarks are further subject to the licensing agreements as follows:

- (A) License Agreement by and between The Chase Company, Inc. and Crown Fancy Goods dated June 1, 1997, the initial term of which expires on May 31, 2001;
- (B) License Agreement by and between The Chase Company, Inc. and Crown Fancy Goods dated October 17, 1995, the initial term of which expires on October 16, 2000; and
- (C) License Agreement by and between The Chase Company, Inc. and Life Gear dated June 9, 1997, the initial term of which expires on June 8, 2000.

II. Trade Names:

- (1) "Kamik" trade name used under license with Genfoot Inc.
- (2) "DuFFS Permformance"

**Schedule III: Copyright Registrations and Applications**

## Schedule IV: Licenses

All of the following trade marks are licensed from The Chase Company, Inc. under the terms of an Assignment Agreement by and between DuFFS International, Inc. and The Chase Company, Inc. dated April 30, 1998:

- (1) "DuFFS"; U.S. Trademark Registration No. 1,907,434.
- (2) "Section 88 Project"; trademark application filed; not pursued.
- (3) "KCK"; trademark application filed; not pursued.
- (4) "Kicks"; trademark application filed; not pursued.

The foregoing trade marks are subject to the following licenses:

- (1) License Agreement by and between The Chase Company, Inc. and Crown Fancy Goods dated June 1, 1997, the initial term of which expires on May 31, 2001;
  - (2) License Agreement by and between The Chase Company, Inc. and Crown Fancy Goods dated October 17, 1995, the initial term of which expires on October 16, 2000; and
  - (3) License Agreement by and between The Chase Company, Inc. and Life Gear dated June 9, 1997, the initial term of which expires on June 8, 2000.
- Use of the "Kamik" trade name is subject to license from Genfoot Inc.
  - Apparel license (excluding footwear) to TDG Distributions, Germany.
  - Apparel license (excluding footwear) to MindTrack Ltd., England (in process; agreement not yet signed).

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