

07-24-2003

COVER SHEET
ONLY

7-17-03

Tab settings



102505159

7-17-03

To the Honorable Commissioner

one attached original documents or copy thereof.

1. Name of conveying party(ies):
ROYCE MEDICAL COMPANY

2. Name and address of receiving party(ies)

Name: Antares Capital Corporation, as Agent

Internal Address: _____

Street Address : 311 South Wacker Drive, Ste 6400

City: Chicago State: IL 60606

- Individual(s)
- General Partnership
- Corporation DE
- Other _____
- Association
- Limited Partnership

- Individual(s) citizenship _____
- Association _____
- General Partnership _____
- Limited Partnership _____
- Corporation State DE
- Other _____

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

If assignee is not domiciled in the United States, a designation is attached: Yes No
(Designations must be a separate document from assignment)

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

3. Nature of conveyance:

- Assignment
- Security Agreement
- Other _____
- Merger
- Change of Name

Execution Date: July 11, 2003

4. Application number(s) or trademark

A. Trademark Application No.(s)
76/362,131 76/464,717 76/477,345 75/828,738

B. Trademark Registration
- SEE THE ATTACHED -

Additional numbers attached? YES

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

Name: Rebecca L. Foley

Internal Address: 16th Floor

Street Address: Katten Muchin Zavis Rosenman

525 W. Monroe

City: Chicago Stat IL ZIP 60661

6. Total number of applications and registrations 25

7. Total fee (37 CFR \$ 600.00

- Enclosed
- Authorized to be charged to deposit

8. Deposit account number: _____

(Attach duplicate copy of this page if paying by deposit account)

07/24/2003 LINDLER 00000109 76363171
01 FC:6521 40.00 OP
02 FC:6622 600.00 OP

DO NOT USE THIS SPACE

9. 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 of the original document.

Rebecca L. Foley

Name of Person

Rebecca L. Foley
Signature

07/14/03

Total number of pages including cover sheet, attachments, and

9

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

Registered Trademarks:

DOCKET #	DESCRIPTION	COUNTRY	Registered #	Date Granted
US				
000-016	Centec Orthopaedics	US	1,600,644	1990
000-017	Lace-Lock	US	1,598,419	1990
000-032	Eclipse	US	1,596,197	1990
000-072	Pony	US	1,598,421	1990
000-093	Thera Back	US	1,787,438	1993
000-094	Tri Back	US	1,787,437	1993
000-095	Equalizer	US	1,746,973	1993
000-113	Neomax	US	1,903,481	1995
000-120	Equalizer Air Walker	US	1,832,086	1994
000-125	Royce Medical Products	US	1,457,809	1987
000-132	Air Walker	US	1,828,838	1994
000-134	Neoform	US	1,870,451	1994
000-157	Formfit	US	2,012,368	1996
000-191	Propoint	US	2,154,085	1998
000-196	Airform	US	2,104,199	1997
000-204	Double Parenthesis Type Design	US	2,032,071	1997
000-246	Exoform	US	2,431,977	2001
000-287	Techform	US	2,505,326	2001
000-288	Fast Cast	US	001638550	2002
000-303	Flex Edge	US	2,716,418	2003
000-326	Exolite	US	2,670,156	2002
FOREIGN				
000-016	Centec Orthopaedics	Japan	2,488,970	1992
000-017	Lace-Lock	Japan	2,488,969	1992
000-021	Equalizer	Germany	1181083	1991
000-021	Equalizer	Italy	5175 2002 RM	2002
000-032	Eclipse	Canada	391475	1991
000-032	Eclipse	Japan	2,488,968	1992
000-032	Eclipse	Spain	1288727M7	1990
000-032	Eclipse	United Kingdom	1365694	1991
000-072	Pony	Canada	386,762	1991
000-072	Pony	Switzerland	399,233	1992
000-093	Thera Back	France	92418881	1992
000-093	Thera Back	Germany	2052836	1993
000-093	Thera Back	Italy	2980 2002 RM	2002
000-094	Tri Back	Germany	2050584	1993
000-094	Tri Back	Italy	3110 2002 RM	2002
000-157	Formfit	United Kingdom	2004886	1994
000-287	Techform	Community Trademark	001638535	2001
000-287	Techform	Japan	4451715	2001
000-287	Techform	Canada	569,226	2002
000-288	Fastcast	Japan	4,466,272	2001
000-288	Fastcast	Canada	569,226	2002
000-328	Royce Logo	Japan	4,632,709	2002

TRADEMARK SECURITY AGREEMENT

WHEREAS, Royce Medical Company, a Delaware corporation as successor by merger with Royce Medical Company, a California corporation (“**Grantor**”), owns the Trademarks, Trademark registrations, and Trademark applications listed on **Schedule 1** annexed hereto, and is a party to the Trademark licenses listed on **Schedule 1** annexed hereto; and

WHEREAS, Grantor, as Borrower, has entered into a Credit Agreement dated as of July 11, 2003 (as the same may be amended, restated, supplemented or otherwise modified and in effect from time to time, the “**Credit Agreement**”), with Antares Capital Corporation, as agent (“**Agent**”) for the benefit of all financial institutions that from time to time become lenders under the Credit Agreement (collectively, the “**Lenders**”), and such Lenders, providing for extensions of credit and other financial accommodations to be made to Borrower by Lenders; and

WHEREAS, pursuant to the terms of a Security Agreement dated as of even date herewith (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “**Security Agreement**”), between Borrower and Agent (in such capacity, “**Grantee**”), Grantor has granted to Grantee for the benefit of Agent and Lenders a security interest in substantially all of the assets of Grantor including all right, title and interest of Grantor in, to and under all now owned and hereafter acquired Trademarks (as defined in the Security Agreement), Trademark registrations, Trademark applications and Trademark licenses, together with the goodwill of the business symbolized by Grantor’s Trademarks, and all proceeds thereof, to secure the payment of the “**Liabilities**” (as defined in the Security Agreement);

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor does hereby grant to Grantee a continuing security interest in all of Grantor’s right, title and interest in, to and under the following (all of the following items or types of property being herein collectively referred to as the “**Trademark Collateral**”), whether presently existing or hereafter created or acquired:

- (1) each Trademark, Trademark registration and Trademark application, including, without limitation, the Trademarks, Trademark registrations (together with any reissues, continuations or extensions thereof) and Trademark applications referred to in **Schedule 1** annexed hereto, and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark, Trademark registration and Trademark application;
- (2) each Trademark license and all of the goodwill of the business connected with the use of, and symbolized by, each Trademark license; and
- (3) all products and proceeds of the foregoing, including, without limitation, any claim by Grantor against third parties for past, present or future (a) infringement or dilution of any Trademark or Trademark registration including, without limitation, the Trademarks and Trademark registrations referred to in **Schedule 1** annexed hereto, the Trademark registrations issued with respect to the Trademark applications referred in **Schedule 1** and the Trademarks licensed under any Trademark license, or (b) injury to the goodwill associated with any Trademark, Trademark registration or Trademark licensed under any Trademark license.

This security interest is granted in conjunction with the security interests granted to Grantee pursuant to the Security Agreement and is not intended to increase the rights of Grantee or the obligations of Grantor beyond the rights and obligations contained in the Security Agreement. Grantor hereby acknowledges and affirms that the rights and remedies of Grantee with respect to the security interest in the Trademark Collateral made and granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

[remainder of page intentionally left blank]

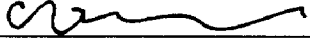
IN WITNESS WHEREOF, Grantor has caused this Trademark Security Agreement to be duly executed by its duly authorized officer on this 11th day of July, 2003.

ROYCE MEDICAL COMPANY, a
Delaware corporation

By: 
Name: Jonathan A. Stein
Title: Vice President

Acknowledged:

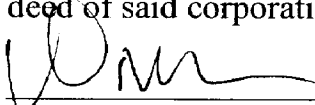
ANTARES CAPITAL CORPORATION,
a Delaware corporation, as Agent

By: 
Name: Chester R. Zara
Title: Director

ACKNOWLEDGMENT

STATE OF NY)
)ss.
COUNTY OF NY)

On the 11th day of July, 2003, before me personally appeared Jonathan Star, to me personally known or proved to me on the basis of satisfactory evidence to be the person described in and who executed the foregoing instrument, who being by me duly sworn, did depose and say that he/she is Vice President of Boya Acquisition, Inc. a Delaware corporation, described in and which executed the foregoing instrument; that the said instrument was signed on behalf of said corporation by order of its Board of Directors; and that he acknowledged said instrument to be the free act and deed of said corporation.



Notary Public

{Seal}

My commission expires:

3/4/04

WINNIE LEE
Notary Public, State of New York
No. 01LE5056490
Qualified in New York County
Commission Expires 03/04/2004

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000-287	Techform	Canada	569,226	2002
000-288	Fastcast	Japan	4,466,272	2001
000-288	Fastcast	Canada	569,226	2002
000-328	Royce Logo	Japan	4,632,709	2002

Pending Trademark/Service Mark Applications:

Trademark	Country/State	App. Date App. No	Status
Royce Logo (Stylized Design of Two Waves)	Australia	06/17/2002 916609	Pending
Royce Logo (Stylized Design of Two Waves)	Canada	06/13/2002 1143945	Pending
Royce Logo (Stylized Design of Two Waves)	China	7/17/2002 3245424	Pending
Royce Logo (Stylized Design of Two Waves)	Community Trademark	6/13/2002 002823649	Pending
Royce Medical	United States of America	1/23/2002 76/362,131	Pending
Royce Medical	Australia	6/17/2002 916610	Pending
Royce Medical	Canada	6/10/2002 1143558	Pending
Royce Medical	Community Trademark	6/25/2002 002747509	Pending
Airform Stirrup	United States of America	11/6/2002 76/464,717	Pending
Airform Stirrup	Canada	5/6/2003 117701800	Pending
Airform Stirrup	Community Trademark	5/6/2003 3156437	Pending
Airform Ankle Stirrup	United States of America	12/20/2002 76/477,345	Pending
Exoform	Community Trademark	1/18/2002 002540136	Pending Published
Exoform	Japan	1/21/2002 2002-3237	Pending
Fast Cast	Canada	4/25/2000 105639600	Pending
Fast Cast	United States of America	10/22/1999 75/828,738	Pending Allowed
Royce Logo (Stylized Design of Two Waves)	Australia	6/13/2002 002823649	Pending

Licensed Intellectual Property:

1. Exclusive License, Supply and Distribution Agreement between Organogenesis Inc. and the Company dated December 18, 2000, as amended October 15, 2001 and July 15, 2002

Exceptions to representations and warranties contained in Section 3.17 of the Credit Agreement

- (i) In October 2001, BSN Medical, Inc. ("BSN") filed a claim against the Company challenging the validity of the Company's U.S. Patent No. 4,928,678 ("Soft-Goods Type, Formable Orthopedic Cast") after the Company claimed infringement by BSN. The parties settled this matter in September 2002.
- (ii) Non-Exclusive Licensing Agreement between the Company and EBI, L.P. (f/k/a Kirschner Medical Corporation) dated April 28, 1994, as amended December 1, 2000.

- (iii) In January 2002, the Company granted Medical Technology Inc. a limited, royalty bearing license with respect to the Company's U.S. Letters Patent No. 5,464,385 ("Walker With Open Heel").
- (iv) In August 1999, the Company filed an infringement complaint against Bledsoe Brace Systems and Medical Technology Inc. related to the Company's U.S. Letters Patent No. 5,464,385 ("Walker With Open Heel"). The parties settled the matter in January 2002.
- (v) In February 2002, after the Company claimed that Sroufe Healthcare Products ("Sroufe") was infringing on the Company's U.S. Patent #RE35113 ("Orthopedic Gel Pad Assembly"), the parties agreed that Sroufe would license the patent at a 5% royalty rate. The Company has sent a draft of a Letter License Agreement to Mr. Sroufe to memorialize this agreement, but it has not been executed.
- (vi) The Company believes that dj Orthopedics, Inc. may currently have a product that infringes on the Company's "Airwalker" product. No claim has been brought.