

10/6/03

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Form PTO-1594 (Rev. 10/02) OMB No. 0651-0027 (exp. 6/30/2005) Tab settings

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



102566683

To the Honorable Commissioner of Patents Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): COREL CORPORATION, an Ontario corporation. Includes checkboxes for Individual(s), Association, General Partnership, Limited Partnership, Corporation-State (checked), and Other.

2. Name and address of receiving party(ies): Name: WELLS FARGO FOOTHILL, INC. Address: Suite 3000 West, 2450 Colorado Avenue, Santa Monica, CA 90404. Includes checkboxes for citizenship and partnership types.

3. Nature of conveyance: Security Agreement (checked), Assignment, Merger, Change of Name, Other. Execution Date: 08/28/2003.

4. Application number(s) or registration number(s): A. Trademark Application No.(s) Please see attached Exhibit A.

B. Trademark Registration No.(s) Please see attached Exhibit A.

5. Name and address of party to whom correspondence concerning document should be mailed: Name: FEDERAL RESEARCH CORPORATION, Suite 920, 1030 15th Street, NW, Washington, DC 20005.

6. Total number of applications and registrations involved: 62. 7. Total fee (37 CFR 3.41): \$ 1565.00. Includes checkboxes for Enclosed and Authorized to be charged to deposit account.

9. Signature: Kimberley A. Lathrop, Signature, October 3, 2003, Date. Total number of pages including cover sheet, attachments, and document: 14.

10/07/2003 6TOM11 00000073 2280170 01 FC:0521 02 FC:0522 40.00 OP 1525.00 OP

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

TRADEMARK REEL: 002838 FRAME: 0657

**EXHIBIT A**

**COREL CORPORATION UNITED STATES TRADEMARKS**

	<u>Trademark</u>	<u>Class</u>	<u>Appln./ Regn. No.</u>	<u>(A) Appln. / (R) Regn.</u>
1	ACTIVE CGM	9	2,280,170	(R)
2	BARISTA	9	2,204,753	(R)
3	BRYCE		2,379,795	(R)
4	COREL	9	1,437,844	(R)
5	COREL	16	2,025,331	(R)
6	COREL & Design	9	1,571,599	(R)
7	COREL DESIGN		76/286,632	(A)
8	COREL DESIGNER	9, 41, 42	76/389,000	(A)
9	COREL DRAW & Design	9, 41, 42	76/352,945	(A)
10	COREL PRINT HOUSE	9	2,100,035	(R)
11	COREL VENTURA	9	2,246,877	(R)
12	CORELDRAW	9, 16, 41, 42	1,904,151	(R)
13	CORELDRAW! Design	9	2,131,909	(R)
14	CORELDRAW! Design	41	2,125,064	(R)
15	CORELDRAW! Design	16	2,125,065	(R)
16	CORELPHOTO-PAINT	9	1,811,951	(R)
17	CORELTRACE	9	1,813,521	(R)
18	ENTERPRISE CHARTER	9	2,298,820	(R)
19	GRAFIGO	9,41,42	76/468,158	(A)
20	IDIAGRAMS		2,646,138	(R)
21	IGRAFX	9	2,449,772	(R)

22	IGRAFX IDEFO	9	2,493,495	(R)
23	IGRIDS		2,652,178	(R)
24	KPT	9	1,841,244	(R)
25	M MICROGRAFX	9	2,075,195	(R)
26	MICROGRAFX	9	1,533,961	(R)
27	MICROGRAFX DESIGNER	9	2,165,798	(R)
28	MICROGRAFX FLOWCHARTER	9	2,163,886	(R)
29	MICROGRAFX GRAPHICS SUITE	9	2,165,870	(R)
30	NATURAL 3D Design		2,110,706	(R)
31	NATURAL MEDIA		1,767,289	(R)
32	NET-PERFECT	9	1,969,319	(R)
33	PAINTER 7 & Design	9, 41, 42	76/347,781	(A)
34	PARADOX	9	1,385,031	(R)
35	PERFECTTEC	9, 41, 42	76/419,109	(A)
36	PICTURE PUBLISHER	9	1,527,926	(R)
37	PROCESS CENTRAL	9	2,615,831	(R)
38	PROCREATE	9, 41, 42	2,706,424	(R)
39	PROCREATE & Rabbit Design	9, 16, 41, 42	2,647,079	(R)
40	QUATTRO	9	1,453,063	(R)
41	QUATTRO PRO	9, 16, 42	1,893,948	(R)
42	VENTURA PUBLISHER	9, 16	1,446,089	(R)

**COLLATERAL ASSIGNMENT OF TRADEMARKS  
(SECURITY AGREEMENT)**

THIS COLLATERAL ASSIGNMENT OF TRADEMARKS (SECURITY AGREEMENT) dated August 28, 2003 (this "Security Agreement"), is made between **COREL CORPORATION**, a corporation organized under the laws of Ontario with offices at 1600 Carling Avenue, Ottawa, Ontario, Canada K1Z8R7 ("Pledgor"), and **WELLS FARGO FOOTHILL, INC.**, a California corporation with an office at 2450 Colorado Boulevard, Suite 3000 West, Santa Monica, California 90404 ("Pledgee").

W I T N E S S E T H:

WHEREAS, Pledgee has entered into that certain Loan and Security Agreement, dated as of August 25, 2003 (the "Loan Agreement") with **VECTOR CC ACQUISITIONS INC.**, a corporation organized under the laws of Ontario ("Vector Buyerco"), and the other obligors signatory thereto, pursuant to which the Pledgee will provide certain financial accommodations to Vector Buyerco. Initially capitalized terms used herein without definitions shall have the meanings given in the Loan Agreement;

WHEREAS, Pledgor, as the successor by amalgamation to Vector Buyerco, has assumed all of the rights and obligations of Vector Buyerco under the Loan Agreement.

WHEREAS, Pledgor owns all right, title, and interest in and to, among other things, all the trademarks, United States trademarks and trademark registrations, and the trademark applications and tradenames, set forth on Exhibit A hereto (the "Trademarks"); and

WHEREAS, in order to secure Pledgor's obligations to Pledgee under the Loan Agreement, Pledgor has granted to Pledgee a security interest in the Trademarks and certain other assets with respect to the Trademarks, as further set forth herein and in the Loan Documents, and Pledgee has requested Pledgor to enter into this Security Agreement to further evidence such security interest.

NOW THEREFORE, valuable consideration received and to be received, as security for the full payment and performance of Pledgor's obligations under the Loan Agreement, and to induce Pledgee to make loans and advances to Pledgor, Pledgor hereby grants to Pledgee a security interest in:

- (a) the Trademarks;
- (b) all registrations of the Trademarks in any State of the United States and any foreign countries and localities;
- (c) all tradenames, trademarks and trademark registrations hereafter adopted or acquired and used, including, but not limited to, those which are based upon or derived from the Trademarks or any variations thereof (the "Future Trademarks");

(d) all extensions, renewals, and continuations of the Trademarks and Future Trademarks and the registrations referred to in clause (b) above;

(e) all rights to sue for past, present and future infringements of the Trademarks and Future Trademarks;

(f) all packaging, labeling, trade names, service marks, logos, and trade dress including or containing the Trademarks and Future Trademarks, or a representation thereof, or any variation thereof;

(g) all licenses and other agreements under which Pledgor is licensor, and all fees, rents, royalties, proceeds or monies thereunder, relating to the Trademarks and Future Trademarks and the use thereof; and

(h) all goodwill of Pledgor's business connected with, symbolized by or in any way related to the items set forth in clauses (a) through (g) above.

All of the foregoing items set forth in clauses (a) through (h) are hereinafter referred to collectively as the "Collateral."

AND Pledgor hereby covenants with Pledgee as follows:

1. Pledgor's Obligations. Pledgor agrees that, notwithstanding this Security Agreement, it will perform and discharge and remain liable for all its covenants, duties, and obligations arising in connection with the Collateral and any licenses and agreements related thereto. Pledgee shall not have any obligation or liability in connection with the Collateral or any licenses or agreements relating thereto by reason of this Security Agreement or any payment received by Pledgee relating to the Collateral, Pledgee shall not be required to perform any covenant, duty, or obligation of Pledgor arising in connection with the Collateral or any license or agreement related thereto or to take any other action regarding the Collateral or any such licenses or agreement.

2. Representations and Warranties. Pledgor represents and warrants to Pledgee that:

(a) Pledgor is the owner of the Collateral, and no adverse claims have been made with respect to its title to or the validity of the Collateral;

(b) the Trademarks are the only trademarks, trademark registrations, trademark applications and trade names in which Pledgor has any or all right, title and interest;

(c) none of the Collateral is subject to any mortgage, pledge, lien, security interest, lease, charge, encumbrance or license (by Pledgor as licensor), except for Pledgee's interests granted hereunder and Permitted Liens (as defined in the Loan Agreement); and

(d) when this Security Agreement is filed in the United States Patent and Trademark Office (the "Trademark Office") and the Pledgee has taken the other actions

contemplated in this Security Agreement and by the Loan Documents, this Security Agreement will create, as permitted under applicable law, a legal and valid perfected and continuing lien on and security interest in the Collateral in favor of Pledgee, enforceable against Pledgor and all third parties, subject to no other mortgage, lien, charge, encumbrance, or security or other interest.

3. Covenants. Pledgor will maintain the Collateral, defend the Collateral against the claims of all persons, and will maintain and renew all registrations of the Collateral; provided, however, that Pledgor will not be required to maintain any Collateral which no longer has any economic value or as otherwise permitted under the Loan Agreement. If, before the Pledgor's obligations under the Loan Agreement have been satisfied in full and the Loan Documents have been terminated, Pledgor shall obtain rights to or be licensed to use any new trademark, or become entitled to the benefit of any trademark application or trademark registration, the provisions of Section 1 hereof shall automatically apply thereto and Pledgor shall give Pledgee prompt notice thereof in writing.

4. Use Prior to Default. Effective until Pledgee's exercise of its rights and remedies upon an Event of Default under and as defined in the Loan Documents (an "Event of Default"), Pledgor shall be entitled to use the Collateral in the ordinary course of its business, subject to the terms and covenants of the Loan Documents and this Security Agreement.

5. Remedies Upon Default. Whenever any Event of Default shall occur and be continuing, Pledgee shall have all the rights and remedies granted to it in such event by the Loan Documents, which rights and remedies are specifically incorporated herein by reference and made a part hereof, and any and all rights and remedies of law available to Pledgee. Pledgee in such event may collect directly any payments due to Pledgor in respect of the Collateral and may sell, license, lease, assign, or otherwise dispose of the Collateral in the manner set forth in the Loan Documents. Pledgor agrees that, in the event of any disposition of the Collateral upon and during the continuance of any such Event of Default, it will duly execute, acknowledge, and deliver all documents necessary or advisable to record title to the Collateral in any transferee or transferees thereof, including, without limitation, valid, recordable assignments of the Trademarks or Future Trademarks. In the event Pledgor fails or refuses to execute and deliver such documents, Pledgor hereby irrevocably appoints Pledgee as its attorney-in-fact, with power of substitution, to execute, deliver, and record any such documents on Pledgor's behalf. Notwithstanding any provision hereof to the contrary, during the continuance of an Event of Default, Pledgor may sell any merchandise or services bearing the Trademarks and Future Trademarks in the ordinary course of its business and in a manner consistent with its past practices, until it receives written notice from Pledgee to the contrary. The preceding sentence shall not limit any right or remedy granted to Pledgee with respect to Pledgor's inventory under the Loan Documents or any other agreement now or hereinafter in effect.

6. Cumulative Remedies. The rights and remedies provided herein are cumulative and not exclusive of any other rights or remedies provided by law. The rights and remedies provided herein are intended to be in addition to and not in substitution of the rights and remedies provided by the Loan Documents or any other agreement or instrument delivered in connection therewith.

7. Amendments and Waivers. This Security Agreement may not be modified, supplemented, or amended, or any of its provisions waived except in a writing signed by Pledgor and Pledgee. On the first Business Day of each fiscal quarter following the Closing Date, Pledgor hereby authorizes Pledgee to modify this Security Agreement by amending Exhibit A hereto to include any Future Trademarks.

8. Waiver of Rights. No course of dealing between the parties to this Security Agreement or any failure or delay on the part of any such party in exercising any rights or remedies hereunder shall operate as a waiver of any rights and remedies of such party or any other party, and no single or partial exercise of any rights or remedies by one party hereunder shall operate as a waiver or preclude the exercise of any other rights and remedies of such party or any other party. No waiver by Pledgee of any breach or default by Pledgor shall be deemed a waiver of any other previous breach or default or of any breach or default occurring thereafter.

9. Assignment. The provisions of this Security Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto; provided, however, that no interest herein may be assigned by Pledgor without the prior written consent of Pledgee; and, provided further, that Pledgee may assign the rights and benefits hereof as permitted by the Loan Agreement.

10. Future Acts. Until all of the obligations of Pledgor to Pledgee shall have been paid in full, Pledgor authorizes Pledgee to execute any such Additional Documents in Pledgor's name and authorizes Pledgee to file such executed Additional Documents in any appropriate filing office. In addition, on such periodic basis as Pledgee shall reasonably require, Pledgor shall (i) provide Pledgee with a report of all new trademarkable materials acquired or generated by Pledgor during the prior period, (ii) apply to register all new trademarkable materials acquired or generated by Pledgor, and (iii) on the first Business Day of each fiscal quarter following the Closing Date, cause to be prepared, executed, and delivered to Pledgee supplemental schedules to this Security Agreement to identify such trademarks as being subject to the security interests created hereunder.

11. Enforcement. Upon an Event of Default which is continuing, Pledgee shall have the right but shall in no way be obligated to bring suit in its own name to enforce the Trademarks and Future Trademarks and any license thereunder, in which event Pledgor shall at the request of Pledgee do any and all lawful acts and execute any and all proper documents required by Pledgee in aid of such enforcement and Pledgor shall promptly, upon demand, reimburse and indemnify Pledgee, and its agents for all reasonable costs and expenses incurred by Pledgee in the exercise of their rights under this Section 11.

12. Release. At such time as Pledgor shall completely satisfy all of the Obligations (as defined in the Loan Agreement), Pledgee will execute and deliver to Pledgor such releases or other instruments as may be necessary or desirable to release Pledgor's lien in the Collateral, subject to any dispositions thereof which may have been made by Pledgee pursuant hereto.

13. Severability. If any clause or provision of this Security Agreement shall be held invalid or unenforceable, in whole or in part, in any jurisdiction, such invalidity or

unenforceability shall attach only to such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such or any other clause or provision in any other jurisdiction.

14. Notices. All notices, requests and demands to or upon Pledgor or Pledgee under this Security Agreement shall be given in the manner prescribed by the Loan Documents.

15. Governing Law. This Security Agreement shall be governed by and construed, applied, and enforced in accordance with the federal laws of the United States of America applicable to trademarks and the laws of the State of New York, except that no doctrine of choice of law shall be used to apply the laws of any other State or jurisdiction. The parties agree that all actions or proceedings arising in connection with this Security Agreement shall be tried and litigated only in the State and federal courts located in the Borough of Manhattan, City of New York, State of New York. PLEDGOR AND PLEDGEE EACH WAIVES THE RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION ARISING UNDER THIS SECURITY AGREEMENT, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND ANY RIGHT EITHER MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS, LACK OF PERSONAL JURISDICTION, OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS SECTION 15.

16. Supplement. This Security Agreement is a supplement to, and is hereby incorporated into, the Loan Documents and made a part thereof.



IN WITNESS WHEREOF, the parties have entered into this Security Agreement as of the date first above written.


PLEDGOR

**COREL CORPORATION**

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

PLEDGEE

WELLS FARGO FOOTHILL, INC.

By:   
Title: VP

**EXHIBIT A**

**COREL CORPORATION UNITED STATES TRADEMARKS**

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IGRIDS		2,652,178	(R)
KPT	9	1,841,244	(R)
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PARADOX	9	1,385,031	(R)
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QUATTRO	9	1,453,063	(R)
QUATTRO PRO	9, 16, 42	1,893,948	(R)
VENTURA PUBLISHER	9, 16	1,446,089	(R)

WORDPERFECT	16	1,618,770	(R)
WORDPERFECT	9	1,394,667	(R)
WORDPERFECT LAW OFFICE 1000 & Design	9	2,640,225	(R)
ISHAPES		75/561,241	(A)
NETWORCHARTER		2,273,186	(R)
ISOCHARTER		2,289,584	(R)
SWIMLANE		2,414,923	(R)
SIMPLY 3D		2,185,865	(R)
WEBTRICITY		2,190,684	(R)
INSTANT 3D		2,155,549	(R)
LIVING FLOWCHARTS		2,204,258	(R)
COOLSHAPES		2,109,619	(R)
ABC MEDIA MANAGER		2,079,894	(R)
ABC GRAPHICS SUITE		2,065,704	(R)
ABC FLOWCHARTER		1,632,984	(R)
XMETAL		2,545,948	(R)
SOFTQUAD		2,292,404	(R)
HOTMETAL		2,233,826	(R)
SOFTQUAD HOTMETAL PRO		2,047,382	(R)
SOFTQUAD PANORAMA PRO		2,047,381	(R)