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08-06-2004

Docket No. 1963-7424



RECOR

102807749

Trademark

Form PTO-1595

U.S. Patent and Trademark Office

8-3-04

To The Honorable Commissioner of Patents and Trademarks:

Please record the attached original documents or copy thereof.

<p>1. Name of conveying party(ies): 1.5.04 Custom One Design, Inc.</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> Gen'l Partnership <input type="checkbox"/> Ltd. Partnership <input type="checkbox"/> Corporation-State <input checked="" type="checkbox"/> Other Security Agreement</p> <p>Additional name(s) of conveying party(ies) attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	<p>2. Name and address of secured party(ies): Name: IBM Credit Corporation Address: North Castle Drive Armonk, NY 10504</p> <p><input type="checkbox"/> Individual(s) <input type="checkbox"/> Association <input type="checkbox"/> Gen'l Partnership <input type="checkbox"/> Ltd. Partnership <input type="checkbox"/> Corporation-State <input checked="" type="checkbox"/> Other Security Agreement</p> <p>Additional name(s) & addresses attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>3. Nature of conveyance: <input type="checkbox"/> Assignment <input checked="" type="checkbox"/> Other Security Agreement and Amendment to Security Agreement</p> <p>Execution Date(s): <u>11/6/03 and 12/23/03</u></p>	<p>4. Trademark Application/registration number(s) and description: <u>Reg. No. 2,680,972</u> The Invention Factory <u>Reg. No. 2,290,247</u> The Art of Inventing <u>Reg. No. 2,295,869</u> Chip Challenge <u>Ser. No. 75505,221</u> Custom Chip Express</p> <p>Additional numbers attached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>5. Name and address of party to whom correspondence concerning document should be mailed:</p> <p>Name: Gregory Perrone Address: Morgan & Finnegan, L.L.P. 345 Park Avenue New York, NY 10154-0053</p>	<p>6. Total number of trademark applications/registrations involved: 4</p> <p>7. Total fee (37 CFR 3.41): \$115.00 (\$40+\$25x3)</p> <p><input checked="" type="checkbox"/> A check in the amount of \$115.00 is enclosed. <input type="checkbox"/> Charge to Deposit Account No. <u>13-4503</u>, Order No. _____ <input checked="" type="checkbox"/> Charge any deficiencies to Deposit Account <u>13-4503</u> No. <u>1963-7424</u> a duplicate copy of this sheet is enclosed)</p>

DO NOT USE THIS SPACE

8. 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 original document.

Name of Person Signing	Signature	Date:
<u>Gregory Perrone</u>		<u>January 5, 2004</u>
Reg. No. 47,855	Total no. of pages including cover sheet, attachments and document: 14	

DO NOT DETACH THIS PORTION

Mail documents to be recorded with required cover sheet information to: Commissioner for Patents, Washington, DC 20231

Public burden reporting for this sample cover sheet is estimated to average about 30 minutes per document to be recorded, including time for reviewing the document and gathering the data needed, and completing and reviewing the sample cover sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Office of Information Systems, PK2-1000C, Washington, DC 20231, and to the Office of Management and Budget, Paperwork Reduction Project (0651-0011), Washington, DC 20503.

01/07/2004 DBYRNE 00000067 2680972
01 FC:8521 40.00 DP
02 FC:8522 75.00 DP

TRADEMARK REEL: 003021 FRAME: 0698

**AMENDMENT
TO
INTELLECTUAL PROPERTY SECURITY AGREEMENT**

This Amendment ("Amendment") to Intellectual Property Security Agreement is made as of December 2, 2003 by and between Custom One Design, Inc., duly organized under the laws of the State of Delaware ("Grantor") and IBM Credit LLC, a Delaware limited liability company ("Secured Party").

RECITALS:

- A. Reference is hereby made to the Intellectual Property Security Agreement dated as of November 6, 2003 and executed by Grantor on behalf of Secured Party (the "Agreement");
- B. Secured Party has agreed to lend to Grantor certain funds (the "Loan"), and Grantor desires to borrow such funds from Secured Party pursuant to the terms of the Revolving Credit Agreement dated September 22, 2003 (the "Loan Agreement");
- C. In order to induce Secured Party to enter into the Loan Agreement and pursuant to the Agreement, Grantor has granted a security interest in certain intangible property to Secured Party under the Loan Agreement for purposes of securing the obligations of Grantor to Secured Party, which intangible property is further described in the Agreement.

Section 1. Definitions. All capitalized terms not otherwise defined herein shall have the respective meanings set forth in the Agreement.

Section 2. Amendment. The Agreement is hereby amended as follows:

- A. The prefatory paragraph to the Agreement is amended by inserting the word "Inc." after the phrase "Custom One Design."
- B. Section 3. (a) is deleted in its entirety and replaced with the following:
- "(a) Grantor is the sole owner of the entire right, title and interest of the Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business, and, except for security interests granted to Banknorth, N.A., Fairchild Semiconductor Corporation, and Eastern Bank as described in Attachment B to the Loan Agreement, has not assigned or encumbered the Collateral, nor will it do so until the Loan amount is fully satisfied;"
- C. Section 3.(g) is amended by changing the words "within thirty (30) days of the date of this Agreement" to read "within sixty (60) days of the date of this Agreement."
- D. Section 3. (h) is modified by deleting the phrase "first priority."

Section 3. Conditions to Effectiveness of Amendment. This Amendment shall become effective upon the date IBM Credit receives this Amendment executed by Grantor.

Section 4. Governing Law. This Amendment shall be governed by and interpreted in accordance with the laws which govern the Agreement.

Section 5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute one agreement.

Section 6. Other Terms Not Modified. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been executed by duly authorized representatives of the undersigned as of the day and year first above written.

IBM Credit LLC

By: Sal Casso

Print Name: SAL CASSO

Title: Sales Mgr of Credit
SC

Custom One Design, Inc

By: Peter Neufuss

Print Name: Peter Neufuss

Title: President & CEO

INTELLECTUAL PROPERTY SECURITY AGREEMENT

This Intellectual Property Security Agreement (the "Agreement") is made as of November 2, 2003, by and between Custom One Design, a Delaware corporation ("Grantor"), and IBM Credit LLC, a Delaware limited liability company ("Secured Party").

RECITALS

A. Secured Party has agreed to lend to Grantor certain funds (the "Loan"), and Grantor desires to borrow such funds from Secured Party pursuant to the terms of the Revolving Credit Agreement dated September 22, 2003 (the "Loan Agreement"); all capitalized terms used herein without definition shall have the meanings ascribed to them in the Loan Agreement).

B. In order to induce Secured Party to enter into the Loan Agreement, Grantor has agreed to grant a security interest in certain intangible property to Secured Party under the Loan Agreement for purposes of securing the obligations of Grantor to Secured Party.

1. Grant of Security Interest. As collateral security for the prompt and complete payment and performance of Grantor's present or future indebtedness, obligations and liabilities to Secured Party under the Loan Agreement, Grantor hereby grants a security interest and mortgage to Secured Party under the Loan Agreement, as security, in and to Grantor's entire right, title and interest in, to and under the following (all of which shall collectively be called the "Collateral"):

(a) Any and all trade secrets, and any and all intellectual property rights in computer software and computer software products now or hereafter existing, created, acquired or held;

(b) Any and all design rights which may be available to Grantor now or hereafter existing, created, acquired or held;

(c) All domestic and foreign patents, provisional patent applications, nonprovisional patent applications and like protections, including without limitation the patents and patent applications set forth in Exhibit A, attached hereto (collectively, the "Patents") including without limitation improvements, divisions, continuations, renewals, reissues, reexaminations, extensions and continuations-in-part of the same, all patent applications pending and/or subsequently filed, and all inventions and improvements described in the Patents, in the United States or any foreign country;

(d) Any trademark, trade name or servicemark, whether registered or not, applications to register and registrations of the same and like protections, and the entire goodwill of the Grantor connected with and symbolized by such trademarks, trade

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names and servicemarks, including without limitation those set forth on Exhibit B, attached hereto (collectively, the "Trademarks");

(e) Any and all claims for damages by way of past, present and future infringement of any of the rights included above, with the right, but not the obligation, to sue for and collect such damages for said use or infringement of the intellectual property rights identified above, including but not limited to the Patents and Trademarks;

(f) Any and all rights to income, profits, royalties, fees, damages, licenses and all other rights and goodwill relating to the patents, trademarks, applications or inventions and all proceeds, products and supporting obligations whether existing then or in the future and wherever located including but not limited to the Patents or Trademarks;

(g) All amendments, renewals and extensions of any of the Patents or Trademarks; and

(h) All proceeds and products of the foregoing, including without limitation all payments under insurance or any indemnity or warranty payable in respect of any of the foregoing.

2. Authorization and Request.

(a) Grantor authorizes and requests that the Commissioner of Patents and Trademark record this Agreement.

(b) Grantor authorizes Secured Party and its employees, representatives and agents to file an initial financing statement and any necessary amendments thereto.

3. Covenants and Warranties.

(a) Grantor is the sole owner of the entire right, title and interest of the Collateral, except for non-exclusive licenses granted by Grantor to its customers in the ordinary course of business, and has not assigned or encumbered the Collateral, nor will it do so until the Loan amount is fully satisfied;

(b) Performance of this Agreement does not conflict with or result in a breach of any agreement to which Grantor is party or by which Grantor is bound, except to the extent that certain intellectual property agreements prohibit the assignment of the rights thereunder to a third party without the licensor's or other party's consent and this Agreement constitutes an assignment;

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(c) During the term of this Agreement, Grantor will not transfer or otherwise encumber any interest in the Collateral, except for non-exclusive licenses granted by Grantor in the ordinary course of business or as set forth in this Agreement;

(d) To the best of Grantor's knowledge, each of the Patents and Trademarks is valid and enforceable, and no part of the Collateral has been judged invalid or unenforceable, in whole or in part, and no claim has been made that any part of the Collateral violates the rights of any third party;

(e) Grantor shall promptly advise Secured Party of any material change in the composition of the Collateral, including but not limited to any subsequent ownership right of the Grantor in or to any Patent or Trademark not specified in this Agreement;

(f) Grantor shall (i) protect, defend and maintain the validity and enforceability of the Patents and Trademarks, (ii) use its best efforts to detect infringements of the Patents and Trademarks and promptly advise Secured Party in writing to infringements detected and (iii) not allow any Patents or Trademarks to be abandoned, forfeited or dedicated to the public without the written consent of Secured Party;

(g) Grantor shall register or cause to be registered (and hereby authorizes Secured Party and its employees, representatives and agents to register or cause to be registered to the extent deemed necessary by the Secured Party) with the United States Patent and Trademark Office, those intellectual property rights listed on Exhibit A and Exhibit B attached hereto within thirty (30) days of the date of this Agreement. Grantor shall register or cause to be registered to the extent deemed necessary by the Secured Party) with the United States Patent and Trademark Office, as applicable, those additional intellectual property rights developed or acquired by Grantor from time to time in connection with any product prior to the sale or licensing of such product to any third party (including without limitation revisions or additions to the intellectual property rights listed on such Exhibit A and Exhibit B). Grantor shall, from time to time, execute and file such other instruments, and take such further actions as Secured Party may reasonably request from time to time to perfect or continue the perfection of Secured Party's interest in the Collateral;

(h) This Agreement creates, and in the case of after acquired Collateral, this Agreement will create at the time Grantor first has rights in such after acquired Collateral, in favor of Secured Party a valid and perfected first priority security interest in the Collateral in the United States, and where applicable, any foreign country, securing the payment and performance of the obligations evidenced by the Loan Agreement upon making the filings referred to in clause (i) below;

(i) To its knowledge, except for, and upon, the filing with the United States Patent and Trademark Office with respect to the Patents and Trademarks necessary to perfect the security interests created hereunder, and except as has been

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already made or obtained, no authorization, approval or other action by and no notice to or filing with, any U.S. governmental authority or U.S. regulatory body is required either (i) for the grant by Grantor of the security interest granted hereby or for the execution, delivery or performance of this Agreement by Grantor in the U.S. or (ii) for the perfection in the United States or the exercise by Secured Party of its rights and remedies hereunder;

(j) All information heretofore, herein or hereafter supplied to Secured Party by or on behalf of Grantor with respect to the Collateral is accurate and complete in all material respects;

(k) Grantor shall not enter into any agreement that would materially impair or conflict with Grantor's obligations hereunder without Secured Party's prior written consent, which consent shall not be unreasonably withheld. Grantor shall not permit the inclusion in any contract to which it becomes a party of any provisions that could or might in any way present the creation of a security interest in such contracts if Grantor is required, in its commercially reasonable judgment, to accept such provisions; and

(l) Upon Grantor obtaining actual knowledge thereof, Grantor will promptly notify Secured Party in writing of any event that has a material, adverse effect on the value of any Collateral, the ability of Grantor to dispose of any Collateral or the rights and remedies of Secured party in relation thereto, including the levy of any legal process against any of the Collateral.

4. Secured Party's Rights.

(a) Secured Party shall have the right, but not the obligation, to take, at Grantor's sole expense, any actions that Grantor is required under this Agreement to take but which Grantor fails to take, after five (5) days' notice to Grantor. Grantor shall reimburse and indemnify Secured Party for all costs and expenses incurred in the exercise of its rights under this Section 4.

(b) Secured Party shall have the right, should Secured Party determine that the Collateral is insufficient to secure the entire Loan Amount, to cease further installment payments or extensions, and demand immediate repayment of the outstanding balance within thirty (30) days of notifying Grantor of the insufficiency of the Collateral. Unless and until the remaining outstanding balance is repaid, this Agreement shall remain in full force and effect.

5. Inspection Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to visit, during reasonable hours upon prior reasonable written notice to Grantor, any of Grantor's plants and facilities that manufacture, install or store products (or that have done so during the prior six-month

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period) that are made, used or sold utilizing any of the Collateral, and to inspect the products and quality control records relating thereto upon reasonable written notice to Grantor and as often as may be reasonable requested.

6. Participation Rights. Grantor hereby grants to Secured Party and its employees, representatives and agents the right to monitor, review and participate in the procurement of all present and future Collateral obtained through the United States Patent and Trademark Office and any foreign, non-domestic, Governmental Intellectual Property Organization.

7. Further Assurances: Attorney in Fact.

(a) On a continuing basis, Grantor will make, execute, acknowledge and deliver, and file and record in the proper filing and recording places in the United States, all such instruments, including appropriate financing and continuation statements and collateral agreements and filings with the United States Patent and Trademark Office, and take all such action as may reasonably be deemed necessary or advisable, or as requested by Secured Party, to perfect Secured Party's security interest in all Patents and Trademarks and otherwise to carry out the intent and purposes of this Agreement, or for assuring and confirming to Secured Party the grant or perfection of a security interest in all Collateral.

(b) Grantor hereby irrevocably appoints Secured Party as Grantor's attorney-in-fact, with full authority in the place and stead of Grantor and in the name of Grantor, from time to time in Secured Party's discretion, to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement, including (i) to modify, in its sole discretion, this Agreement without first obtaining Grantor's approval of or signature to such modification by amending Exhibit A and Exhibit B thereof, as appropriate, to include reference to any right, title or interest in any Patents or Trademarks acquired by Grantor after the execution hereof or to delete any reference to any right, title or interest in any Patents or Trademarks in which Grantor no longer has or claims any right, title or interest, (ii) to file, in its sole discretion, one or more financing or continuation statements and amendments thereto, relative to any of the Collateral without the signature of Grantor where permitted by law and (iii) after the occurrence of an Event of Default, to transfer the Collateral to the Secured Party to the extent permitted under the New York Uniform Commercial Code.

8. Events of Default. The occurrence of any of the following shall constitute an Event of Default under the Agreement:

(a) An Event of Default occurs under the Loan Agreement; or

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(b) Grantor breaches any warranty or agreement made by Grantor in this Agreement and, as to any breach that is capable of cure, Grantor fails to cure such breach within ten (10) days of the occurrence of such breach.

9. Remedies.

Upon the occurrence and continuance of an Event of Default, Secured Party shall have the right to exercise all the remedies of a secured party under the New York Uniform Commercial Code, including without limitation the right to require Grantor to assemble the Collateral and any tangible property in which Secured Party has a security interest and to make it available to Secured Party at a place designated by Secured Party. Secured Party shall have nonexclusive, royalty-free license to use the Patents and Trademarks to the extent reasonable necessary to permit Secured Party to exercise its rights and remedies upon the occurrence of an Event of Default. Grantor will pay any expenses (including attorneys' fees) incurred by Secured Party in connection with the exercise of any Secured Party's rights hereunder, including without limitation any expense incurred in disposing of the Collateral. All of Secured Party's rights and remedies with respect to the Collateral shall be cumulative.

Notwithstanding and in addition to any other remedies hereunder, Grantor hereby grants to Secured Party a fully paid-up, worldwide, nonexclusive, irrevocable license, with the right to grant sublicenses to affiliates and subsidiaries of the Secured Party to make (and to have made for the Secured Party), use, sell, transfer and import inventions claimed in the Patents. Secured Party agrees to and shall not exercise the foregoing patent license unless and until Grantor defaults on its obligations under the Loan Agreement, and such default has not been waived, nor has Grantor cured such default as provided under in the Loan Agreement. If not exercised before all obligations are fully performed and all commitments are satisfied by the Grantor, the right to exercise the foregoing license shall terminate.

10. Indemnity. Grantor agrees to defend, indemnify and hold harmless Secured Party and its officers, and agent against: (a) all obligations, demands, claims, and liabilities claimed and asserted by any other party in connection with the transactions contemplated by this Agreement, and (b) all losses or expenses in any way suffered, incurred, or paid by Secured Party as a result of or in any way arising out of, following or consequential to transactions between Secured Party and Grantor, whether under this Agreement or otherwise (including without limitation reasonable attorneys, fees and reasonable expenses), except for losses arising from or out of Secured Party's gross negligence or willful misconduct.

11. Automatic Stay. Grantor hereby waives any right to object to any motion or other request made by the Secured Party for relief from an automatic stay in operation in any Bankruptcy proceeding, whether voluntary or involuntary, involving Grantor.

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12. **No Implied Waivers.** No act, failure or delay by Secured Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof. No single or partial waiver by Secured Party of any provision of this Agreement, the Loan Agreement or any document related to the transaction contemplated hereby or thereby, or of a breach or default hereunder or thereunder or of any right or remedy Secured Party may have, shall operate as a waiver of any other provision, breach, default, right, or remedy on a future occasion. No waiver by Secured Party shall affect its right to require strict performance of this Agreement.

13. **Attorneys' Fees.** If any action relating to this Agreement is brought by either party hereto against the other party, the prevailing party shall be entitled to recover reasonable attorneys' fees, costs and disbursements

14. **Amendments.** This Agreement may be amended only by a written instrument signed by both parties hereto.

15. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument.

16. **Severability.** In case any provision of the Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

17. **New York Law and Jurisdiction; Jury Waiver.** This Agreement shall be governed by the laws of the State of New York, without regard for choice of law provisions. Grantor and Secured Party consent to the exclusive jurisdiction of any state or federal court located in New York. GRANTOR AND SECURED PARTY EACH WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THE LOAN AGREEMENT THIS ASSIGNMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREIN, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.

[continued on next page]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

Address of Grantor:

10 Corey Street
Melrose, Massachusetts 02176

Grantor:

Custom One Design, Inc.

By: *[Signature]*

Title: President & CEO

Address of Secured Party:

One North Castle Drive
Armonk, New York 10504

Secured Party:

IBM Credit LLC

By: *Sal Grosso*

Title: Sign of Credit

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EXHIBIT A**Patents**

Description	Patent/Application No.	Issue/Filing Date
Systems and Methods for Spread Spectrum Communication of Supplemental Information	U.S. Appl. No. 09/283,477 PCT Int'l Application WO 00/60778 A1 European Patent App. 00920023.9 Canadian Patent App. 2,385,088	Filed: April 1, 1999 Filed: April 1, 2000
Photolithographic Mask and Apparatus and Method of Use Thereof	U.S. Patent No. 6,200,709 B1	Issued: March 13, 2001
Improved Computer Processors and Improved Methods of Using Such Processors	U.S. Appl. No. 09/886,801 Provisional Application No. 60/213,061	Filed: June 21, 2000
An Integrated Circuit Testing Apparatus	U.S. Patent No. 6,552,555 B1	Issued: April 22, 2003
Improved Methods and Apparatuses for Receiving and Transmitting Signals	U.S. Appl. No. 09/781,459	Filed: February 12, 2001
Interconnect Circuitry, Multichip Module, and Methods of Manufacturing Thereof	U.S. Appl. No. 09/904,306	Filed: July 12, 2001
Planar Inductors and Method of Manufacturing Thereof	U.S. Appl. No. 09/904,014	Filed: July 12, 2001

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EXHIBIT B

Trademarks

<u>Description</u>	<u>Serial/ Registration Number</u>	<u>Filing/Registration Date</u>
THE INVENTION FACTORY	Reg. No. 2680972	Reg. Date: Jan. 28, 2003
THE ART OF INVENTING	Reg. No. 2290247	Reg. Date: Nov. 2, 1999
CHIP CHALLENGE	Reg. No. 2295869	Reg. Date: Nov. 30, 1999
CUSTOM CHIP EXPRESS	Ser. No. 75505221	Filing Date: June 19, 1998