

Bankr. and Secured Lending in Cyberspace Appendix C

Bankruptcy and Secured Lending in Cyberspace
Database updated August 2012

Warren E. Agin, J.D.

Appendices

Appendix C.

Note regarding use of form. This form is provided for illustrative purposes only. It has been simplified and edited in order to emphasize its application to the discussion in this book. The reader should not assume that the form is, as presented here, legally sufficient for use in an actual lending transaction.

Website Host Waiver and Consent

This Agreement ("Agreement") is made as of this 1st day of January, 1998, by and between Verona Internet Services, Inc. ("Hosting Agent"), Shylock National Bank, N.A. ("Lender"), and Antonio Industries, Inc. ("Borrower").

Preliminary Statement. Lender intends to provide Borrower with a financial accommodation to be secured by a lien against all assets of Borrower, including, without limitation, all rights in and to media, data, copyrights, license rights, contract rights and trademarks that comprise a Website maintained on equipment in the possession or control of Hosting Agent ("Server Equipment"), and any rights in and to any domain name registration maintained in connection with such Website, and any trademark rights and goodwill held in connection with such domain names ("Collateral"). The Collateral is or may be maintained on and stored in the Server Equipment, or otherwise maintained by Hosting Agent.

Now, therefore, in consideration of the foregoing, of the mutual promises hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. *Subject Matter of Agreement.* The Collateral includes all data, including without limitation all electronic documents, HTML code, script or software code, databases, images, graphics, audio materials and video materials, that are part of the Website. The Collateral further includes all rights to registration of any domain name used to access the Website ("Domain Name"). The Website shall include all assets of Borrower, now held or hereafter acquired, as described in a certain Security Agreement by and between Lender and Borrower and dated January 1, 1998, ("Security Agreement") and maintained on or stored in the Server Equipment.

2. *Hosting Agent's Consent.* Hosting Agent consents to the maintenance and storage of the Collateral on equipment in the possession or control of Hosting Agent, and hereby waives and relinquishes in favor of Lender any right, claim, title, interest or security interest in or lien upon, any of the Collateral, which it may have or acquire by reason of the installation in, attachment to or location of the Collateral in the Server Equipment, or otherwise, whether arising under any agreement, instrument of law now or hereafter in effect, and acknowledges that any such right, claim, title, interest or security interest in or lien upon, is subordinate to the right, claim, title and interest or security interest or lien upon such Collateral in favor of the Lender, whether perfected as against third parties or not, to the full extent that the same secures or may hereafter secure any and all obligations and indebtedness of every kind, now existing or hereafter arising, of Borrower to Lender.

3. *Hosting Agent's Waiver.* Hosting Agent hereby agrees that so long as this Agreement is in effect, Hosting Agent shall not exercise any rights, assert any claim, lien, title, or security interest in, or lien upon, interfere with or take any action or institute any proceedings, with respect to the Collateral.

4. *Notice to Lender.* Hosting Agent agrees to immediately notify Lender of any default by Borrower, whether monetary in nature or otherwise, under any contract or agreement between Borrower and Hosting Agent related to the maintenance of the Collateral on the Server Equipment. Hosting Agent acknowledges that Lender is a third party beneficiary of any covenants granted Borrower by Hosting Agent under any such contract or agreement. Hosting Agent further agrees not to terminate any such contract or agreement unless Lender, within 10 business days after its receipt of such notice, fails to agree to assume Borrower's future obligations to Hosting Agent under any such contract or agreement. Under no circumstances shall Lender be held liable for any unsatisfied obligation of Borrower to Hosting Agent accrued prior to receipt of such notice.

Hosting Agent agrees to immediately notify Lender of any correspondence, whether received by e-mail or otherwise, it receives related to maintenance or registration of the Domain Name.

5. *Maintenance of Data.* Hosting Agent agrees to immediately inform Lender of any attempt or request by Borrower to remove the Collateral, or any portion thereof, from the Server Equipment, or change any data or information maintained by the relevant registrar with regard to the Domain Name. Hosting Agent agrees that it shall not cooperate with any such activities by Borrower unless Lender has consented thereto in writing.

6. *Repossession Rights.* Lender and its representatives may, upon notice to, but without the consent of, Hosting Agent, take action necessary to take possession of the Collateral at any time in accordance with the Security Agreement.

Hosting Agent agrees to at Lender's option either (1) surrender to Lender the Collateral or (2) maintain the Collateral on behalf of Lender and at Lender's direction, on receipt from Lender of:

(a) written notification that Borrower has defaulted in a material respect under a certain Revolving Credit Agreement by and between Borrower and Lender, dated January 1, 1998, or the Security Agreement ("Lending Documents"), or this Agreement, and has failed to collect such default within the time periods established by the Lending Documents ("Borrower Default");

(b) evidence satisfactory to Hosting Agent that Lender has previously notified Borrower of such Borrower Default in writing;

(c) written instructions from Lender as to the required disposition of the Collateral; and

(d) confirmation from the Lender that it will pay Hosting Service its usual and customary charges for the services requested by Lender.

Hosting Agent agrees to cooperate with Lender and perform, at Lender's expense, such acts as are necessary or desirable to transfer the Collateral or related rights to Lender.

7. *Term.* The provisions hereof shall be irrevocable and remain in full force and effect until Borrower has fully paid and performed all of its obligations to Lender under all agreements, instruments and documents evidencing such obligations, and under all security agreements, present and future, and any extensions, modifications and renewals thereof at any time made, and until

all obligations, if any, of Lender to extend loans or financial accommodations to Borrower shall have been terminated.

8. *Court Orders.* Notwithstanding the foregoing provisions, Hosting Agent shall perform any acts ordered by any court of competent jurisdiction, without any liability or obligation to any party hereunder by reason of such act.

9. *Indemnity.* Borrower and Lender shall, jointly and severally, indemnify and hold harmless Hosting Agent and each of its directors, officers, agents, employees and stockholders ("Hosting Agent Indemnitees") absolutely and forever, from and against any and all claims, actions, damages, suits, liabilities, obligations, costs, fees, charges, and any other expenses whatsoever, including reasonable attorneys' fees and costs, that may be asserted against any Hosting Agent Indemnitee in connection with the performance of Hosting Agent or any Hosting Agent Indemnitee in accordance with the terms of this Agreement.

10. *Ownership of Deposit Materials.* The parties recognize and acknowledge that ownership of the Collateral shall remain with Borrower at all times, subject to any rights therein granted Lender by the Lending Documents.

11. *Bankruptcy.* Borrower and Lender acknowledge that this Agreement is an "agreement supplementary to" any license provisions contained within the Lending Documents as provided in Section 365(n) of Title 11, U.S. Code (the "Bankruptcy Code"). Borrower acknowledges that if any such license provision is deemed by a court to be executory in nature and Borrower as a debtor in possession or a trustee in Bankruptcy in a case under the Bankruptcy Code rejects such license provision, Lender may elect to retain its rights under such license provision and this Agreement as provided in Section 365(n) of the Bankruptcy Code. Upon written request of Lender to Borrower or the Bankruptcy Trustee, Borrower or such Bankruptcy Trustee shall not interfere with the rights of Lender as provided in such license provision and this Agreement, including the right to obtain the Collateral from Hosting Agent.

12. *Miscellaneous.*

(a) *Remedies.* Except for actual fraud, gross negligence or intentional misconduct or breach of this Agreement, Hosting Agent shall not be liable to Borrower or to Lender for any act, or failure to act, by Hosting Agent in connection with this Agreement. Hosting Agent will not be liable for special, indirect, incidental or consequential damages hereunder.

(b) *Permitted Reliance and Abstention.* Hosting Agent may rely and shall be fully protected in acting or refraining from acting upon any notice or other document believed by Hosting Agent in good faith to be genuine and to have been signed or presented by the proper person or entity. Hosting Agent shall have no duties or responsibilities except those expressly set forth herein.

(c) *Independent Contractor.* Hosting Agent is an independent contractor, and is not an employee or agent of either the Borrower or Lender.

(d) *Amendments.* This Agreement shall not be modified or amended except by another agreement in writing executed by the parties hereto.

(e) *Entire Agreement.* This Agreement, including all exhibits hereto, supersedes all prior discussions, understandings and agreements between the parties with respect to the matters contained herein, and constitutes the entire agreement between the parties with respect to the matters contemplated herein. All exhibits attached hereto are by this reference made a part of this Agreement and are incorporated herein.

(f) *Counterparts; Governing Law.* This Agreement may be executed in counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same Agreement. This Agreement shall be construed and enforced in accordance with the laws of the City of Verona, without regard for conflicts of law provisions.

(g) *Notices.* All notices, requests, demands or other communications required or permitted to be given or made under this Agreement shall be in writing and shall be delivered by facsimile transmission, by hand or by commercial overnight delivery service which provides for evidence of receipt, or mailed by certified mail, return receipt requested, postage prepaid. If delivered personally or by commercial overnight delivery service, the date on which the notice, request, instruction or document is delivered shall be the date on which delivery is deemed to be made, and if delivered by mail, the date on which such notice, request, instruction or document is received shall be the date on which delivery is deemed to be made. Any party may change its address or facsimile transmission telephone number for the purpose of this Agreement by notice in writing to the other parties as provided herein.

(h) *Successors.* This Agreement shall be binding upon and inure to the benefit of the parties herein named and their respective assigns and successors in interest.

(i) *Survival*. Paragraphs 9, 10 and 11 shall survive any termination of this Agreement.

(j) *No Waiver*. No failure on the part of any party hereto to exercise, and no delay in exercising any right, power or single or partial exercise of any right, power or remedy by any party will preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No express waiver or assent by any party hereto to any breach of or default in any term or condition of this Agreement shall constitute a waiver of or an assent to any succeeding breach of or default in the same or any other term or condition hereof.

IN WITNESS WHEREOF each of the parties has caused its duly authorized officer to execute this Agreement as of the date and year first above written.

[Signatures, including contact information]

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BKRSCLCYB APP C

END OF DOCUMENT

FORM 3.5 from Forms under Article 9 of the UCC, 2d edition (American Bar Association, 2009)

TRADEMARK SECURITY AGREEMENT¹

SECURITY AGREEMENT, dated as of [insert date], between [insert debtor], a[n] [insert debtor's jurisdiction and form of organization] (the "Debtor"), and [insert secured party], a[n] [insert secured party's jurisdiction and form of organization] (the "Secured Party").

The Debtor and the Secured Party hereby agree as follows:

SECTION 1. Definitions; Interpretation.

(a) Terms Defined in Credit Agreement. All capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings assigned to them in the Credit Agreement.

(b) Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings:

"Collateral" has the meaning set forth in Section 2.

"Commercial Tort Claims" shall have the meaning provided in the UCC except it shall refer only to such claims in an amount in excess of \$ _____ that have been asserted in judicial proceedings.

"Credit Agreement" means that certain Credit Agreement, dated as of the date hereof, between the Debtor and the Secured Party.

"PTO" means the United States Patent and Trademark Office.

"UCC" means the Uniform Commercial Code as in effect in the State of [____].

(c) Terms Defined in UCC. Where applicable in the context of this Agreement and except as otherwise defined herein, terms used in this Agreement shall have the meanings assigned to them in the UCC.

(d) Construction. In this Agreement, the following rules of construction and interpretation shall be applicable: (i) no reference to "proceeds" in this Agreement authorizes any

¹ This security agreement is intended to be used in cases where trademarks are collateral. It may be used in addition to or in lieu of the general, all personal property assets security agreement included as Form 3.1.

Special consideration should be given to perfecting a security interest in trademarks. Unlike copyright, where some courts have held that the Copyright Act wholly preempts the Article 9 filing system, courts have consistently held that a security interest in a trademark may be perfected *only* by filing a UCC-1 financing statement. *See, e.g., In re Together Dev. Corp.*, 227 B.R. 439 (Bankr. D. Mass. 1998), *aff'd*, 255 B.R. 606 (D. Mass. 2000).

sale, transfer or other disposition of any Collateral by Debtor; (ii) "includes" and "including" are not limiting; (iii) "or" is not exclusive; and (iv) "all" includes "any" and "any" includes "all." To the extent not inconsistent with the foregoing, the rules of construction and interpretation applicable to the Credit Agreement shall also be applicable to this Agreement and are incorporated herein by this reference.

SECTION 2. Security Interest.

(a) Grant of Security Interest. As security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a security interest in, and a mortgage upon, all of Debtor's right, title and interest in, to and under the following property, in each case whether now or hereafter existing or arising or in which Debtor now has or hereafter owns, acquires or develops an interest and wherever located (collectively, the "Collateral"):

(i) all state (including common law), federal and foreign trademarks, service marks and trade names, and applications for registration of such trademarks, service marks and trade names (but excluding any application to register any trademark, service mark or other mark prior to the filing under applicable law of a verified statement of use (or the equivalent) for such trademark, service mark or other mark to the extent the creation of a security interest therein or the grant of a mortgage thereon would void or invalidate such trademark, service mark or other mark),² all licenses relating to any of the foregoing and all income and royalties with respect to any licenses (including such marks, names and applications as described in Schedule A), whether registered or unregistered and wherever registered, all rights to sue for past, present or future infringement or unconsented use thereof, all rights arising therefrom and pertaining thereto and all reissues, extensions and renewals thereof;

(ii) the entire goodwill of or associated with the businesses now or hereafter conducted by Debtor connected with and symbolized by any of the aforementioned properties and assets;³

(iii) all general intangibles and all intellectual or other intangible property of Debtor of any kind or nature, associated with or arising out of any of the aforementioned properties and assets and not otherwise described above; and

(iv) all proceeds of any and all of the foregoing Collateral (including license royalties, rights to payment, accounts receivable and proceeds of infringement suits) and, to the extent not otherwise included, all payments under insurance (whether or not the Secured Party

² The parenthetical language deals with problems raised by *Clorox Co. v. Chemical Bank*, 40 U.S.P.Q.2d (BNA) 1098 (T.T.A.B. 1996), which held that an intent-to-use application cannot be assigned prior to the filing of a statement of use except to a successor to the business of the applicant. In *Clorox*, the Trademark Trial and Appeal Board held that a prohibited assignment of an intent-to-use application invalidates the registration, not simply the assignment.

³ A trademark cannot be assigned "in gross." Rather, it can only be assigned with the good will of the business. *See, e.g., Visa, U.S.A., Inc. v. Birmingham Trust Nat'l Bank*, 696 F.2d 1371, 1375 (Fed. Cir. 1982) ("[A] mark may be transferred only in connection with the transfer of the good will of which it is a part. A naked transfer of the mark alone, known as a transfer in gross, is invalid.").

is the loss payee thereof) or any indemnity, warranty or guaranty payable by reason of loss or damage to or otherwise with respect to the foregoing Collateral.

Notwithstanding the foregoing in no event shall the Collateral include any application for registration of a trademark filed with the PTO on an intent-to-use basis until such time (if any) as a Statement of Use or Amendment to Allege Use is filed, at which time such trademark shall automatically become part of the Collateral and subject to the security interest pledged.

(b) Continuing Security Interest. Debtor agrees that this Agreement shall create a continuing security interest in the Collateral which shall remain in effect until terminated in accordance with Section 11.

SECTION 3. Supplement to Credit Agreement. This Agreement has been entered into in conjunction with the security interests granted to the Secured Party under the Credit Agreement or other security documents referred to therein. The rights and remedies of the Secured Party with respect to the security interests granted herein are without prejudice to, and are in addition to those set forth in, the Credit Agreement or any other security documents referred to therein, all terms and provisions of which are incorporated herein by reference.

SECTION 4. Representations and Warranties. Debtor represents and warrants to the Secured Party that:

(a) Trademarks. A true and correct list of all of the existing Collateral consisting of U.S. trademark registrations or applications owned by Debtor, in whole or in part, is set forth in Schedule A.

SECTION 5. Further Acts. On a continuing basis, Debtor shall make, execute, acknowledge and deliver, and file and record in the proper filing and recording places, all such instruments and documents, and take all such action as may be necessary or advisable or may be requested by the Secured Party to carry out the intent and purposes of this Agreement, or for assuring, confirming or protecting the grant or perfection of the security interest granted or purported to be granted hereby, to ensure Debtor's compliance with this Agreement or to enable Secured Party to exercise and enforce its rights and remedies hereunder with respect to the Collateral, including any documents for filing with the PTO or any applicable state office. The Secured Party may record this Agreement, an abstract thereof, or any other document describing the Secured Party's interest in the Collateral with the PTO, at the expense of Debtor. In addition, Debtor authorizes the Secured Party to file financing statements describing the Collateral in any UCC filing office deemed appropriate by the Secured Party. If the Debtor shall at any time hold or acquire a Commercial Tort Claim arising with respect to the Collateral,⁴ the Debtor shall

⁴ A commercial tort claim is defined in U.C.C. § 9-102(a)(13) as "a claim arising in tort with respect to which: (A) the claimant is an organization, or (B) the claimant is an individual and the claim: (i) arose in the course of the claimant's business or profession; and (ii) does not include damages arising out of personal injury to or the death of an individual." If the collateral is to comprise a commercial tort claim as original collateral, the commercial tort claim must be described more specifically than by Article 9 collateral type. U.C.C. § 9-108(e)(1). In addition, an after-acquired property clause alone is not sufficient to permit a security interest in the commercial tort claim to attach as original collateral. U.C.C. § 9-204(b)(2). This provision provides for future amendments to the security agreement that would provide the required specificity.

immediately notify the Secured Party in a writing signed by Debtor of the brief details thereof and grant to the Secured Party in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance satisfactory to the Secured Party.

SECTION 6. Authorization to Supplement. If Debtor shall obtain rights to any new trademarks, the provisions of this Agreement shall automatically apply thereto. Debtor shall give prompt notice in writing to the Secured Party with respect to any such new trademarks or renewal or extension of any trademark registration. Without limiting Debtor's obligations under this Section 6, Debtor authorizes the Secured Party to modify this Agreement by amending Schedule A to include any such new trademark rights. Notwithstanding the foregoing, no failure to so modify this Agreement or amend Schedule A shall in any way affect, invalidate or detract from the Secured Party's continuing security interest in all the Collateral, whether or not listed on Schedule A.

SECTION 7. Binding Effect. This Agreement shall be binding upon, inure to the benefit of and be enforceable by Debtor, the Secured Party and their respective successors and assigns. Debtor may not assign, transfer, hypothecate or otherwise convey its rights, benefits, obligations or duties hereunder except as specifically permitted by the Credit Agreement.

SECTION 8. Governing Law. This Agreement shall be governed by, and construed in accordance with, the law of the State of [___], except as required by mandatory provisions of law or to the extent the validity, perfection or priority of the security interests hereunder, or the remedies hereunder, in respect of any Collateral are governed by the law of a jurisdiction other than [___].

SECTION 9. Entire Agreement; Amendment. This Agreement and the Credit Agreement, together with the Schedules hereto and thereto, contain the entire agreement of the parties with respect to the subject matter hereof and supersede all prior drafts and communications relating to such subject matter. Neither this Agreement nor any provision hereof may be modified, amended or waived except by the written agreement of the parties, as provided in the Credit Agreement. Notwithstanding the foregoing, the Secured Party unilaterally may re-execute this Agreement or modify, amend or supplement the Schedules hereto as provided in Section 6 hereof. In the event of any direct conflict between the express terms and provisions of this Agreement and of the Credit Agreement, the terms and provisions of the Credit Agreement shall control. *In the event of any direct conflict between the express terms and provisions of this Agreement and of the Security Agreement, the terms and provisions of the Security Agreement shall control.*

SECTION 10. Counterparts. This Agreement may be executed in any number of counterparts and by 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 but one and the same agreement. Delivery of an executed counterpart of this Agreement by facsimile or other electronic method of transmission shall be equally as effective as delivery of a manually executed counterpart. Any party hereto delivering a counterpart of this Agreement by facsimile or other electronic method of transmission shall also deliver a manually executed counterpart, but the failure to so deliver a manually executed counterpart shall not affect the validity, enforceability or binding effect hereof.

SECTION 11. Termination. Upon payment and performance in full of all Obligations, the security interests created by this Agreement shall terminate and the Secured Party (at the Debtor's expense) shall promptly execute and deliver to Debtor such documents and instruments reasonably requested by Debtor as shall be necessary to evidence termination of all such security interests given by Debtor to the Secured Party hereunder, including cancellation of this Agreement by written notice from the Secured Party to the PTO.

SECTION 12. No Inconsistent Requirements. Debtor acknowledges that this Agreement and the other documents, agreements and instruments entered into or executed in connection herewith may contain covenants and other terms and provisions variously stated regarding the same or similar matters, and Debtor agrees that all such covenants, terms and provisions are cumulative and all shall be performed and satisfied in accordance with their respective terms.

SECTION 13. Severability. If one or more provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect in any jurisdiction or with respect to any party, such invalidity, illegality or unenforceability in such jurisdiction or with respect to such party shall, to the fullest extent permitted by applicable law, not invalidate or render illegal or unenforceable any such provision in any other jurisdiction or with respect to any other party or any other provisions of this Agreement.

SECTION 14. Notices. All notices and other communications hereunder shall be in writing and shall be mailed, sent or delivered in accordance with the Credit Agreement.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

[DEBTOR]

[_____],

a [_____]

By: _____

Title: _____

[SECURED PARTY]

[_____],

a [_____]

By: _____

Title: _____

SCHEDULE A
TO THE TRADEMARK SECURITY AGREEMENT

Debtor: []

U.S. Trademarks of Debtor

Registration No.	Registered Owner	Mark
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Pending U.S. Trademark Applications of Debtor

Debtor: []

Application No.	Applicant	Mark
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14A West's Legal **Forms**, Commercial Transactions § **22:21** (3d ed.)

West's Legal **Forms**
Database Updated December 2012

Commercial Transactions
Lawrence R. Ahern, III[FNa10]

Part 5. Transactions under Article 9 of the Uniform Commercial Code
H. Transactions in Rights to Payment and Other Intangibles
Chapter 22. General Intangibles

§ 22:21. Security agreement—Computer software

SECURITY AGREEMENT made as of this *[ordinal number]* day of *[name of month]*, *[identification of year]*, between *[name of debtor]*, a *[name of state]* corporation (herein referred to as "Debtor"), which has its chief executive office and principal place of business at *[address of debtor]* and *[name of secured party]*, a *[type of entity]* (herein referred to as "Secured Party") with an address at *[address of secured party]*.

1. GRANT OF SECURITY INTEREST; DEFINITIONS.

(a) As collateral security for the prompt payment, performance and observance of all Obligations, as hereinafter defined, Debtor does hereby assign and grant to Secured Party a security interest in the properties of Debtor described on Schedule A hereto (collectively, the "Collateral") wherever situated or located, now or hereafter in existence and whether now owned or hereafter acquired.

(b) As used in this **Security Agreement** and the Schedules hereto, in addition to the terms defined elsewhere in this **Security Agreement**, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural **forms** of the terms defined):

"Agreement" and "Agreements" shall have the meaning assigned in Schedule A hereto.

"Copyrights" shall have the meaning assigned in Schedule A hereto.

"Obligations" shall mean any and all indebtedness, liabilities, obligations and agreements of any kind of Debtor to Secured Party, now existing or hereafter arising, direct or indirect (including any participation or interest of Secured Party in obligations of Debtor to another), acquired outright, conditionally or as collateral security from another, absolute or contingent, joint or several, due or not due, contractual or tortious, liquidated or

unliquidated, arising by operation of law or otherwise, and all agreements, documents and instruments evidencing any of the foregoing or under which any of the foregoing may have been issued, created, assumed or guaranteed, and all extensions, renewals, replacements and modifications thereof.

"Patents" shall have the meaning assigned in Schedule A hereto:

"Programs" shall have the meaning assigned in Schedule A hereto.

"Trademarks" shall have the meaning assigned in Schedule A hereto.

2. GENERAL REPRESENTATIONS, WARRANTIES AND

COVENANTS. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Debtor will, at its expense, perform all acts and execute all documents requested by Secured Party at any time to evidence, perfect, maintain, record and enforce the security interest in the Collateral or otherwise in furtherance of the provisions of this **Security Agreement**, including, without limitation, upon the request of Secured Party, the execution and delivery of one or more documents in the respective **forms** of the Exhibits 1, 2 and 3 hereto, and Debtor hereby authorizes Secured Party to execute and file one or more financing statements (and similar documents) or copies thereof or of this **Security Agreement** with respect to the Collateral signed only by Secured Party.

(b) Secured Party may, in its sole discretion, pay any amount or do any act required of Debtor hereunder or requested by Secured Party to preserve, defend, protect, maintain, record or enforce Debtor's obligations contained herein, the Obligations, the Collateral, or the right, title and interest granted Secured Party herein, and which Debtor fails to do or pay, and any such payment shall be added to the Obligations, and shall, together with interest at the highest rate payable from time to time on the Obligations, be payable on demand.

(c) In the event that a "Default", as hereinafter defined, shall occur, Debtor will promptly pay Secured Party for any and all sums, costs and expenses which Secured Party may pay or incur pursuant to the provisions of this **Security Agreement** or in defending, protecting or enforcing the Obligations, the Collateral or the security interest granted hereunder, including, but not limited to, all filing or recording fees, court costs, collection charges, travel, and reasonable attorney's fees, all of which shall be added to the Obligations and shall, together with interest at the highest rate payable from time to time on the Obligations, be payable on demand.

(d) (i) The residence of Debtor, the chief executive office and other places of business of Debtor, the books and records relating to the Collateral and the Collateral are and have been, for the four-month period prior to the date hereof, located at the Debtor's address set forth above, and Debtor will not change any of the same, or merge or consolidate with any person or change its name, without prior written notice to and consent of Secured Party; (ii) Debtor will use the Collateral for lawful purposes only, with all reasonable care and caution and in conformity with all applicable laws, ordinances and regulations; (iii) Secured Party shall at all times have free access to, and right of inspection of, the Collateral and any records pertaining thereto (and the right to make extracts from and to receive from Debtor originals or true copies of such records and any papers and instruments relating to any Collateral upon request therefor) and Debtor hereby grants to Secured Party a security interest in all such records, papers and instruments (all of which shall be deemed part of the "Collateral") to secure the payment, performance and observance of the Obligations.

(e) Debtor will not sell, transfer, assign, mortgage, pledge, hypothecate or grant a security interest in or lien upon, or otherwise encumber, or (except for fair consideration in the ordinary course of business) license, any of the Collateral, without prior written consent of Secured Party in each instance. Nothing in this Agreement shall be deemed a consent by Secured Party to any such action except as expressly permitted herein.

(f) To effectuate the terms and provisions of this **Security Agreement**, Debtor hereby designates and appoints Secured Party and each of its designees or agents as attorney-in-fact of Debtor, irrevocably and with power of substitution, with authority to do all acts and things necessary or advisable in the sole discretion of Secured Party to carry out and enforce this **Security Agreement** and the Obligations, including, without limitation, to: indorse the name of Debtor on any notes, acceptances, checks, drafts, money orders, instruments or other evidences of Collateral that may come into Secured Party's possession; execute proofs of claim and loss; execute indorsements, assignments or other instruments of conveyance or transfer; adjust and compromise any claims under insurance policies or otherwise; execute releases; and take the actions and/or execute the documents contemplated by paragraphs 4(g) and 5(e) hereof. This power of attorney being coupled with an interest is irrevocable while any Obligations shall remain unpaid.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING THE PROGRAM. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Debtor holds, and, except as may be expressly permitted pursuant to paragraph 2(e) hereof, so long as any Obligation remains outstanding will continue to hold, good and valid title to, and all proprietary rights and interest in, the Program, free and clear of all liens, claims, assignments, licenses (except as listed on Schedule B hereto), security interests (except in favor of Secured Party) or encumbrances of any nature whatsoever.

(b) Debtor is not aware of any claim by any person asserting that the Program infringes on any patent, copyright or trademark, or otherwise infringes on any rights of such person.

(c) The Debtor has the right, power and authority to grant a security interest in the Program.

4. REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING LICENSE AGREEMENTS. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Each Agreement existing as of the date hereof is valid and enforceable in accordance with its terms, has not been modified, amended, altered or changed in any manner, and is in full force and effect, there being no default thereunder by Debtor or, to the best of Debtor's knowledge, by any other party thereto.

(b) Debtor has the right, power and authority to assign its right, title and interest in and to the Agreements to Secured Party. Debtor has not heretofore assigned (outright or as collateral), granted a security interest in, pledged, encumbered or otherwise hypothecated, its right, title and interest under any of the Agreements in any manner (except to Secured Party).

(c) Debtor will keep and perform the obligations to be kept and performed by it under each Agreement.

(d) Debtor will not modify, amend, alter, change, cancel or terminate any Agreement, and will do all things necessary and proper to keep each Agreement, and all Debtor's rights thereunder, in full force and effect.

(e) Debtor specifically acknowledges and agrees that Secured Party does not assume, and shall have no responsibility for, the payment of any sums due or to become due under any Agreement or the performance of any obligations to be performed under or with respect to any Agreement by Debtor, and Debtor hereby agrees to indemnify and hold Secured Party harmless with respect to any and all claims by any person relating thereto.

(f) If there shall be a default under any Agreement on the part of Debtor, for any reason, Secured Party may, at its option, without assuming any of the Obligations of Debtor under such Agreement and without waiving or releasing Debtor from any of the terms hereof or any of the Obligations, cure the default, and the cost of curing the same (and all necessary and incidental costs and expenses of Secured Party in connection therewith, including, but not limited to, reasonable counsel fees), shall be added to the Obligations, and shall, together with interest at the highest rate payable from time to time on the Obligations, be payable upon demand.

(g) If a default or event of default shall occur under or with respect to any Agreement, in addition to all other rights and remedies of Secured Party pursuant to any agreements of Debtor in favor of or assigned to and held by Secured Party or pursuant to applicable law or otherwise, Secured Party or its successor or designee shall have all rights and benefits under such Agreement, including, without limitation, any and all options and rights to indemnification and guarantee, without modifying or discharging any of the Obligations. Upon the occurrence of any such default or event of default under any Agreement, Debtor agrees to execute any and all documents requested by Secured Party in its sole discretion to enable Secured Party to exercise all of the rights of Debtor under such Agreement and Secured Party may enforce all of Debtor's rights thereunder. Additionally, as more fully set forth in paragraph 6 hereof, in the event of a "Default" as hereinafter defined, Secured Party shall have and may enforce all such rights, Debtor shall execute all such documents, and Secured Party may enforce Debtor's rights with respect to, all of the Agreements. The specified remedies to which the Secured Party may resort under the terms of this **Security Agreement** are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the Secured Party may be lawfully entitled in case of any breach or threatened breach by the Debtor of any provision hereof or of any of the Obligations. Nothing contained in this **Security Agreement** and no act or action taken or done by the Secured Party pursuant to the powers and rights granted it hereunder or under any instrument collateral hereto shall be deemed to be a waiver by the Secured Party of any of its rights and remedies against the Debtor in connection with, or in respect of, any of the Obligations of the Debtor to the Secured Party. The right of the Secured Party to collect and enforce collection of the Obligations and to enforce any security and collateral held by it may be exercised by the Secured Party either prior to, simultaneously with, or subsequent to any action taken by the Secured Party hereunder.

(h) Any monies or other proceeds under or in connection with each Agreement received by Debtor shall not be commingled with any other

property of Debtor, but shall be segregated, held by Debtor in trust for, and delivered to, Secured Party for application to the payment of the Obligations.

(i) Upon entering into a contract constituting an Agreement, Debtor will so notify Secured Party and will, at Secured Party's request, deliver to Secured Party the fully executed original of each Agreement, or at the option of Secured Party, shall legend each copy of such Agreement to indicate that it is subject to this **Security Agreement**. At the request of Secured Party, Debtor shall obtain the consent, substantially in the **form** of Exhibit 4 hereto, to the assignment of any one or more Agreements made herein from each other party to such Agreement or Agreements.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS REGARDING TRADEMARKS, PATENTS AND COPYRIGHTS. Debtor hereby represents, warrants, covenants and agrees as follows:

(a) Except to the extent that Secured Party, upon prior written notice by Debtor, shall consent, Debtor will not do any act, or omit to do any act, whereby any of the Patents or Copyrights may become abandoned or dedicated and shall notify Secured Party immediately if it knows of any reason or has reason to know that any application or registration may become abandoned or dedicated.

(b) Except to the extent that Secured Party, upon prior written notice of Debtor, shall consent, Debtor after adoption or acquisition of any Trademark (either itself or through licensees or sublicensees), will continue to use the Trademark on each and every tangible or visual manifestation of the Program, and all promotional, informational or advertising material relating thereto in order to maintain the Trademark in full force free from any claim that the Trademark has become generic or abandoned for non-use, and Debtor will not (and will not permit any licensee or sublicensee thereof to) do any act or knowingly omit to do any act whereby the Trademark may become invalidated.

(c) In no event shall Debtor file an application for the registration of any Trademark, Patent or Copyright with the United States Patent and Trademark Office or United States Copyright Office, respectively, or any similar office or agency in any other country or any political subdivision thereof, unless it shall have promptly informed Secured Party, and, upon request of Secured Party, executed and delivered any and all assignments, agreements, instruments, documents and papers as Secured Party shall have requested to evidence Secured Party's interest in such Trademark, Patent or Copyright and Debtor hereby constitutes Secured Party its attorney-in-fact to execute and file all such writings for the foregoing

purposes, all acts of such attorney being hereby ratified and confirmed; such power being coupled with an interest is irrevocable until the Obligations are paid in full.

(d) As of the date hereof Debtor has no Trademark, Patent or Copyright registered in, or the subject of pending applications in, the United States Patent and Trademark Office or United States Copyright Office, respectively, or any similar office or agency in any other country or any political subdivision thereof other than those described in Schedule C hereto. All Trademarks, Patents and Copyrights listed on Schedule C hereto are registered in the United States Patent and Trademark Office or United States Copyright Office, as the case may be, in the name of the Debtor and are valid, existing and in full force and effect.

(e) Debtor will take all necessary steps in any proceeding before the United States Patent and Trademark Office or United States Copyright Office, as the case may be, or any similar office or agency in any other country or any political subdivision thereof, to maintain each application and registration of each Trademark, Patent and Copyright, including, without limitation, filing of renewals, affidavits of use, affidavits of incontestability and opposition, interference and cancellation proceedings.

6. DEFAULTS, RIGHTS AND REMEDIES. (A) Upon the occurrence of any of the following events (herein "Defaults"), all Obligations shall, at Secured Party's option, become due and payable, and Secured Party shall have the rights and remedies specified below: (a) Debtor or any obligor, maker, indorser, acceptor, surety or guarantor of, or any party to, any Obligations or Collateral (the same, including Debtor, being collectively referred to herein as "Obligors" and individually as an "Obligor") shall default in the punctual payment of any sum payable with respect to, or in the observance or performance of any of the terms and conditions of, any Obligations or this **Security Agreement** or the Collateral or any other agreement between any Obligor and Secured Party; (b) any warranty, representation or statement of fact made to Secured Party at any time by or on behalf of Debtor shall prove to have been false or misleading in any material respect when made; (c) any loss, theft, substantial damage to or destruction of any Collateral, or the making or filing of any lien, levy or execution on, or seizure, attachment of or garnishment of, any Collateral; (d) any Obligor (being a natural person) or any general partner of an Obligor which is a partnership shall die or (being a partnership or corporation) shall be dissolved, or any Obligor (being a corporation) shall fail to maintain its corporate existence in good standing; (e) any Obligor shall be generally not paying its debts as they become due, become insolvent (however defined or evidenced) or make an assignment for the benefit of creditors, or make or

send notice of an intended bulk transfer, or there shall be convened a meeting of the creditors or principal creditors of any Obligor or a committee of creditors is appointed for any Obligor; (f) there shall be filed by or against any Obligor any petition for any relief under the bankruptcy laws of the United States now or hereafter in effect (whether at law or equity) or there is entered against any Obligor any order for relief under applicable bankruptcy law; (g) the usual business of any Obligor shall be terminated or suspended; (h) any proceeding, procedure or remedy supplementary to or in enforcement of judgment shall be commenced against, or with respect to any property of, any Obligor; (i) any petition or application to any court or tribunal, at law or in equity, shall be filed by or against any Obligor for the appointment of any receiver or trustee for it or any part of its property; or (j) any Obligor causes, suffers, permits or consents to the appointment of a receiver, trustee, administrator, conservator, sequestrator, liquidator or similar official in any federal, state or foreign judicial or nonjudicial proceeding, to hold, administer and/or liquidate all or substantially all of the assets of such Obligor, and such appointment shall not have been revoked and terminated and such official discharged of his or her duties within 30 days of his or her appointment. (B) Upon the occurrence of any Default, and at any time thereafter, if such Default or any other Default shall then be continuing, Secured Party shall have the following rights and remedies (to the extent permitted by applicable law) in addition to all other rights and remedies of Secured Party, whether under law, the Obligations, or otherwise, all such rights and remedies being cumulative, not exclusive and enforceable alternatively, successively or concurrently, without notice to, or consent by, Debtor, all subject to existing agreements then binding on Debtor and Secured Party: (i) Secured Party may, at any time and from time to time, license, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any or all of the Collateral, throughout the United States of America, its territories and possessions and all other countries, for such term or terms, on such conditions, and in such manner, as Secured Party shall in its sole discretion determine; (ii) Secured Party may, at any time and from time to time, assign, sell, or otherwise dispose of, the Collateral or any of it, either with or without special or other conditions or stipulations, with power to buy the Collateral or any part of it, and with power also to execute assurances, and do all other acts and things for completing the assignment, sale or disposition which Secured Party shall, in its sole discretion, deem appropriate or proper; (iii) Debtor shall not make any use of any Copyright, Patent or Trademark (or any mark similar thereto) for any purpose; and (iv) in addition to the foregoing, in order to implement the assignment, sale or other disposal of any of the Collateral pursuant to this subparagraph 6(B), Secured Party may at any time, pursuant to the authority granted in the Powers of Attorney described in paragraph 7 hereof, execute and deliver on behalf of Debtor, one or more instruments of

assignment of any of the Collateral (or any application, registration or recording thereof), in **form** suitable for filing, recording or registration. Debtor agrees to pay when due all costs incurred in any such transfer of the Collateral, including any taxes, fees and attorney's fees, and all such costs shall be added to the Obligations. Secured Party may apply the proceeds actually received from any such license, assignment, sale or other disposition to the reasonable costs and expenses thereof, including, without limitation, reasonable attorney's fees and all legal, travel and other expenses which may be incurred by Secured Party, and then to the Obligations, in such order as Secured Party may desire; and Debtor shall remain liable and will pay Secured Party on demand any deficiency remaining and the balance of any expenses unpaid. Nothing herein contained shall be construed as requiring Secured Party to take any such action at any time.

7. POWERS OF ATTORNEY. Concurrently with the execution and delivery hereof, Debtor is executing and delivering to Secured Party in the **form** of Exhibit 5 hereto, ten originals of a Power of Attorney for the implementation of the assignment, sale or other disposal of the Collateral pursuant to paragraph 6(B) hereof.

8. MISCELLANEOUS. No provision hereof shall be modified, altered or limited except by a written instrument expressly referring to this **Security Agreement** and executed by the party to be charged. This **Security Agreement** shall be binding upon the successors, assigns or other legal representatives of Debtor, and shall, together with the rights and remedies of Secured Party hereunder, inure to the benefit of Secured Party, its successors, assigns or other legal representatives. This **Security Agreement**, the Obligations and the Collateral shall be governed in all respects by the laws of the United States and the laws of the State of *[name of state]*. If any term of this **Security Agreement** shall be held to be invalid, illegal or unenforceable, the validity of all other terms hereof shall in no way be affected thereby.

IN WITNESS WHEREOF, Debtor and Secured Party have caused this **Security Agreement** to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

DEBTOR:

[Name of debtor]

By

Title: *[title of representative of debtor]*

SECURED PARTY:

[Name of secured party]

By

Title: *[title of representative of secured party]*

SCHEDULE A TO SECURITY AGREEMENT

All of Debtor's present and future right, title and interest in and to, all benefits of Debtor arising from, and all monies due or to become due under or in connection with: (i) all present and future computer, data processing and other software or firmware programs, now or hereafter developed, adopted, acquired, licensed (whether as licensee or licensor) or used by Debtor (the "Programs"), (ii) the right to use all present and future trade secrets relating to or developed in connection with the Programs (excluding, however, the right to use such trade secrets for computer programs, other than the Programs, which do not perform functions which compete with the Programs), (iii) all present and future copyrights of the Programs, together with all extensions, continuations, continuations-in-part, renewals and reissues thereof ("Copyrights"), (iv) any and all rights to manufacture, use, sell and market the Programs and any and all products embodying or derived from any of the Programs worldwide and for whatever purpose, (v) the right to secure and register Copyrights in the United States and in each and every other country or jurisdiction, in the Programs, and to renew or extend the same from time to time, (vi) the right to print, reprint, encode, record, publish, copy and sell the Programs, (vii) the right to use, display, license, adapt, develop, distribute and exploit the Programs, in any manner, for any purpose and by any means now or hereafter known, (viii) the right to sue and retain the proceeds for infringements, past, present and future, of any and all rights in the Programs, (ix) all present and future license agreements for the use of the Programs, all sublicense and further sublicense agreements now or hereafter existing thereunder and all other agreements, including, without limitation, agreements for the sale of the Programs, now existing or hereafter created, pursuant to which Debtor obtains rights to or derives a benefit from the Programs, and any and all additions, supplements or other modifications thereof, now or hereafter in effect (the foregoing agreements are hereinafter called, individually, an "Agreement" and collectively, the "Agreements"), (x) all letters patent now or hereafter held by Debtor of, or for any invention, item, design, program

or process developed in connection with, the Programs, of the United States or any other country, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all reissues, continuations, continuations-in-part or extensions thereof (the "Patents"), (xi) all present and future tangible manifestations of the Programs, including, without limitation, all copies of (a) all interim and final schematics and specifications for the Programs; (b) all interim and final versions of source codes (whether expressed or printed on paper, magnetic media or any other **form**) and object modules constituting that program, and (c) all interim and final versions of the documentation required to use, maintain, and modify the Programs, (xii) all trademarks adopted or used in connection with the Programs and all service marks relating to the Programs, all prints and labels on which said trademarks and service marks have appeared or appear, designs and general intangibles of like nature, now existing or hereafter adopted or acquired, all goodwill relating to such trademarks and service marks, all right, title and interest therein and thereto, and all registrations and recordings thereof, including, without limitation, applications, registrations and recordings in the United States Patent and Trademark Office or in any similar office or agency of the United States, any State thereof, or any other country or any political subdivision thereof, all whether now owned or hereafter acquired by Debtor, and all reissues, extensions or renewals thereof (the "Trademarks") and (xiii) all products and proceeds of any and all of the foregoing, including, without limitation, claims against third parties for losses, infringements or destruction of, or damage to, the foregoing.

**SCHEDULE B TO SECURITY AGREEMENT
(LIENS AND SECURITY INTERESTS)**

[List of liens and security interests]

**SCHEDULE C TO SECURITY AGREEMENT
(TRADEMARKS, PATENTS AND COPYRIGHTS)**

[List of trademarks, patents, and copyrights]

Exhibit 1 to **Security Agreement**

ASSIGNMENT FOR SECURITY—COPYRIGHTS

WHEREAS, *[name of debtor]*, a *[name of state]* corporation (herein referred to as "Assignor"), owns the entire right, title and interest in and to the

copyrights registered in the United States Copyright Office as described on Schedule A attached hereto (the "Copyrights");

WHEREAS, Assignor is indebted to *[name of secured party]*, a *[name of state]* corporation (herein referred to as "Assignee") and has entered into a **Security Agreement—Computer Software** dated *[date of agreement]*, (the "Agreement") in favor of Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has assigned to Assignee, and granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Copyrights, all extensions, continuations, continuations-in-part, renewals and reissues thereof and all proceeds thereof, including, without limitation, any and all causes of action which may now or hereafter exist by reason of infringement thereof (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations, as defined in the Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign to Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations. Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, security interest in, and mortgage on, the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed by its officer thereunto duly authorized as of the *[ordinal number]* day of *[name of month]*, *[identification of year]*.

[Corporate Seal]

[Name of debtor]

By

Title: *[title of representative of debtor]*

STATE OF *[NAME OF STATE]*

ss.

COUNTY OF *[NAME OF COUNTY]*

On this day of , , before me personally appeared *[name of representative of debtor]*, to me known, who, being by me duly sworn, did depose and say that he or she resides at *[address of representative]* and that he or she is a *[title of position]* of *[name of debtor]*, the corporation described in and which executed the foregoing instrument; that he or she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he or she signed his or her name thereto by like order.

Notary Public

**SCHEDULE A TO ASSIGNMENT FOR
SECURITY COPYRIGHTS**

Title of Program

Copyright Registration
Number

Date of Registration

Exhibit 2 to **Security Agreement**

ASSIGNMENT FOR SECURITY—PATENTS

WHEREAS, *[name of debtor]*, a *[name of state]* corporation (herein referred to as "Assignor"), owns the letters patent, and/or applications for letters patent, of the United States, more particularly described on Schedule A annexed hereto as part hereof (the "Patents");

WHEREAS, Assignor is indebted to *[name of secured party]*, a *[name of state]* corporation (herein referred to as "Assignee"), and has entered into a **Security Agreement—Computer Software** dated *[date of agreement]* (the "Agreement") in favor of Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has assigned to Assignee, and granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Patents, together with any reissue, continuation, continuation-in-part or extension thereof, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof for the full term of the Patents (the "Collateral"), to secure the prompt payment, performance and observance of the Obligations, as defined in the Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign unto Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed by its officer thereunto duly authorized as of the *[ordinal number]* day of *[name of month]*, *[identification of year]*.

[Name of debtor]

[Corporate Seal]

By
[Title of representative of debtor]

STATE OF [NAME OF STATE]

ss.

COUNTY OF [NAME OF COUNTY]

On this day of , , before me personally appeared [name of representative of debtor], to me known, who, being by me duly sworn, did depose and say that he or she resides at [address of representative] and that he or she is a [title of position] of [name of debtor], the corporation described in and which executed the foregoing instrument; that he or she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he or she signed his or her name thereto by like order.

Notary Public

SCHEDULE A TO ASSIGNMENT FOR SECURITY PATENTS

<u>[Application] Number</u>	<u>Date Issued</u>	<u>Invention</u>	<u>Inventor</u>	<u>Owner</u>
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Exhibit 3 to **Security Agreement**

ASSIGNMENT FOR SECURITY—TRADEMARKS

WHEREAS, [name of debtor], a [name of state] corporation (herein referred to as "Assignor"), has adopted, used and is using the trademarks listed on the annexed Schedule A, which trademarks are registered in the United States Patent and Trademark Office (the "Trademarks");

WHEREAS, Assignor is indebted to [name of secured party], a [name of state] corporation (herein referred to as "Assignee"), and has entered into a **Security Agreement—Computer Software** (the "Agreement") in favor of Assignee; and

WHEREAS, pursuant to the Agreement, Assignor has assigned to Assignee and granted to Assignee a security interest in, and mortgage on, all right, title and interest of Assignor in and to the Trademarks, together with the good will of the business symbolized by the Trademarks and the applications and registrations, and all proceeds thereof, including, without limitation, any and all causes of action which may exist by reason of infringement thereof (the "Collateral"), to secure the payment, performance and observance of the Obligations, as defined in the Agreement;

NOW, THEREFORE, for good and valuable consideration, receipt of which is hereby acknowledged, Assignor does hereby further assign unto Assignee and grant to Assignee a security interest in, and mortgage on, the Collateral to secure the prompt payment, performance and observance of the Obligations.

Assignor does hereby further acknowledge and affirm that the rights and remedies of Assignee with respect to the assignment of, security interest in and mortgage on the Collateral made and granted hereby are more fully set forth in the Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein.

IN WITNESS WHEREOF, Assignor has caused this Assignment to be duly executed by its officer thereunto duly authorized as of the *[ordinal number]* day of *[name of month]*, *[identification of year]*.

[Corporate Seal] *[Name of debtor]*
By
[Title of representative of debtor]

STATE OF *[NAME OF STATE]*

ss.

COUNTY OF *[NAME OF COUNTY]*

On this day of , , before me personally appeared *[name of representative of debtor]*, to me known, who, being by me duly sworn, did depose and say that he or she resides at *[address of representative]* and that he or she is a *[title of position]* of *[name of debtor]*, the corporation described in and which executed the foregoing instrument; that he or she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he or she signed his or her name thereto by like order.

Notary Public

SCHEDULE A TO ASSIGNMENT FOR SECURITY TRADEMARKS

Trademark	Reg. No.	Reg. Date
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Exhibit 4 to **Security Agreement**

CONSENT TO ASSIGNMENT—LICENSE AGREEMENT

[Name of consenting party], as *[identification of role]* under the *[name of agreement]* agreement, dated *[date of agreement]*, with *[name of debtor]* (the "Agreement"), hereby approves and consents to the foregoing assignment by *[name of debtor]* of its right, title and interest in and to, and benefits under the Agreement to *[name of secured party]* and agrees that, in accordance with the foregoing assignment all right, title and interest in and to, and benefits under, the Agreement, including without limitation rights of indemnification and rights under any guarantee, shall inure to the benefit of *[name of secured party]*.

[Name of consenting party] hereby irrevocably consents to the non-exclusive jurisdiction of the courts of the State of *[name of state]* and of any federal court located in such State in connection with any action or proceeding arising out of or relating to the Agreement.

Date: *[date of signing]*

By

Title: *[Title of consenting party]*

Exhibit 5 to **Security Agreement**

SPECIAL POWER OF ATTORNEY

STATE OF *[NAME OF STATE]*

ss.

COUNTY OF *[NAME OF COUNTY]*

KNOW ALL PERSONS BY THESE PRESENTS, THAT *[name of debtor]*, a *[name of state]* corporation with its principal office and place of business at *[address of debtor]*, (hereinafter called "Debtor"), hereby appoints and constitutes *[name of secured party]*, a *[name of state]* corporation (hereinafter called "Secured Party"), its true and lawful attorney, with full power of substitution, and with full power and authority to perform the following acts on behalf of Debtor:

1. For the purpose of assigning, selling or otherwise disposing of all right, title and interest of Debtor in and to any computer programs, trade secrets, license agreements, copyrights, letters patent, trademarks and service marks, and all registrations, recordings, reissues, extensions and renewals thereof, and all pending applications therefor, and for the purpose of the recording, registering and filing of, or accomplishing any other formality with respect to, the foregoing, to execute and deliver any and all agreements, documents, instruments of assignment or other papers necessary or advisable to effect such purpose; and

2. To execute any and all documents, statements, certificates or other papers necessary or advisable in order to obtain the purposes described above as Secured Party may in its sole discretion determine.

This power of attorney is made pursuant to a **Security Agreement—Computer Software**, dated *[date of agreement]*, between Debtor and Secured Party and may not be revoked until the payment in full of all "Obligations" as defined in such **Security Agreement**.

[Corporate Seal]

[Name of debtor]

By

Title:[title of representative of debtor]

STATE OF *[NAME OF STATE]*

ss.

COUNTY OF *[NAME OF COUNTY]*

On this day of , , before me personally appeared *[name of representative of debtor]*, to me known, who, being by me duly sworn, did depose and say that he or she resides at *[address of debtor]*, and that he or she is a *[title of position]* of *[name of debtor]*, the corporation described in and which executed the foregoing instrument; that he or she knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was affixed by order of the Board of Directors of said corporation, and that he or she signed his or her name thereto by like order.

Notary Public

Notes

Commentary

Note that the definition of "goods" includes certain "embedded" software: The term also includes a computer program embedded in goods and any supporting information provided in connection with a transaction relating to the program if (i) the program is associated with the goods in such a manner that it customarily is considered part of the goods, or (ii) by becoming the owner of the goods, a person acquires a right to use the program in connection with the goods. The term does *not* include a computer *program*

embedded in goods that consist solely of the medium in which the program is embedded.

U.C.C. § 9-102(44). Note also that "software" is separately defined to mean "a computer program and any supporting information provided in connection with a transaction relating to the program. The term does not include a computer program that is included in the definition of goods."U.C.C. § 9-102(a)(75).

West's Key Number Digest

West's Key Number Digest, Secured Transactions ~~v~~41 to 48

Legal Encyclopedias

C.J.S., Secured Transactions §§ 31 to 47

[FNa10] Burr & Forman LLP, Nashville, Tennessee, Adjunct Professor of Law, Vanderbilt University Law School.

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14A WEST-LF § **22:21**

END OF DOCUMENT

SÛRETÉS SUR LA PROPRIÉTÉ INTELLECTUELLE¹

- Document de référence -

Ce document contient les articles de la législation de propriété intellectuelle traitant de la « cession » ou du « transfert » de la propriété intellectuelle, un sommaire des jugements canadiens et américains portant sur les sûretés sur la propriété intellectuelle et la procédure de publicité (inscription) de ces sûretés aux registres de propriété intellectuelle (au Canada et aux États-Unis). Pour une analyse détaillée de la jurisprudence citée ci-après, voir :

- Kiriakoula Hatzikiriakos, « Secured Transactions in Intellectual Property – Software as Collateral » (Markham: LexisNexis Butterworths, 2006), (<http://www.lexisnexis.ca/bookstore/bookinfo.php?pid=1356>);
- Kiriakoula Hatzikiriakos, « Intellectual Property in Financing and Bankruptcy Transactions: Where We Are », (2007) 281 *Développements récents en droits de la propriété intellectuelle* 201.

De plus, une référence à certains jugements traitant de la nature juridique des noms de domaine est incluse.

I. CESSION/TRANSFERT DE LA PROPRIÉTÉ INTELLECTUELLE²

Loi sur le droit d'auteur du Canada	Loi sur le droit d'auteur des États-Unis	Loi sur les brevets du Canada	Loi sur les brevets des États-Unis	Loi sur les marques de commerce du Canada	Loi sur les marques de commerce des États-Unis
a.13 (4) a.57 (1), (3) (Cession des droits d'auteur enregistrés et non enregistrés)	ss. 204, 205 (Cession des droits d'auteur enregistrés)	a. 49, a. 50, 51 (Cession de demandes de brevet et de brevets délivrés)	s. 261 (Cession de demandes de brevet et de brevets délivrés)	a. 48 (Transfert de marques de commerce, déposées ou non; transfert de l'achalandage n'est pas obligatoire)	s. 1060 (Transfert de marques de commerce, déposées ou non; transfert de l'achalandage est obligatoire)

Quid: Le débat en matière de sûretés sur la propriété intellectuelle porte sur la question de savoir si la sûreté sur la propriété intellectuelle doit être publiée/inscrite auprès du registre de propriété intellectuelle pertinent afin de la rendre opposable aux tiers; le concept de « cession/transfert » des lois sur la propriété intellectuelle englobe-t-il la constitution d'une sûreté?

¹ Ce document de référence a été préparé par Kyriakoula Hatjikiriakos. Il s'agit d'un résumé des jugements les plus pertinents sur le sujet et ne constitue pas un avis juridique complet. Les commentaires ou opinions émis dans ce document ne représentent pas l'opinion de la Banque Nationale du Canada.

² Au Canada: *Loi sur le droit d'auteur*, R.S.C. 1985, c. C-42; *Loi sur les brevets*, R.S.C. 1985, c. P-4; *Loi sur les marques de commerce*, R.S.C. 1985, c. T-13. Aux États-Unis: *Copyright Act*, 17 U.S.C.S. (1994); *Patent Act*, 35 U.S.C.; *Trademark Act of 1946*, 60 Stat. 427, as amended, codified in 15 U.S.C. 1051 *et seq.*

II. JURISPRUDENCE

A. Canada

- Aucun jugement n'a directement traité de la question de savoir comment appliquer la législation sur la propriété intellectuelle à une sûreté prise sur la propriété intellectuelle et comment résoudre un différend de priorité de rang entre un créancier qui détient une sûreté publiée sur un droit de propriété intellectuelle auprès du registre pertinent aux termes de la législation provinciale sur les sûretés (de compétence provinciale) et un autre créancier qui a seulement inscrit sa sûreté sur le même droit de propriété intellectuelle auprès du registre de la propriété intellectuelle aux termes de la législation sur la propriété intellectuelle applicable (de compétence fédérale).

 - Les jugements suivants ont établi que les questions reliées à la nature des droits de propriété intellectuelle sont de compétence fédérale, tandis que les questions d'ordre contractuel découlant de ces droits sont de compétence provinciale. Nous pourrions déduire de cette analyse que la sûreté sur la propriété intellectuelle est une question de compétence provinciale et, ainsi, la question de la publicité de la sûreté sur la propriété intellectuelle relève de la législation sur les sûretés. Cependant, en raison de l'incertitude et d'un manque de jurisprudence à ce sujet, il est préférable que le prêteur publie sa sûreté sur un droit de propriété intellectuelle tant au registre provincial des sûretés (e.g. Registre des droits personnels et réels mobiliers) qu'au registre fédéral de propriété intellectuelle applicable, et ce, particulièrement lorsque la propriété intellectuelle a une valeur importante dans le cadre de la transaction :
- *Electric Fireproofing Co. of Canada v. Electric Fireproofing Co.* (1910) 43 S.C.R. 182
 - *Poolman v. Eiffel Productions, S.A.*, [1991] F.C.J. No. 200 (F.C.T.D.)
 - *Banque Mercantile du Canada c. Télé-Métropole International Inc.*, [1995] A.Q. no 448 (C.A.), pourvoi à la CSC refusé
 - *Films Rachel inc. (Syndic de)*, EYB 1995-73151 (Que. S.C.)
 - *R.L.P. Machine & Steel Fabrication Inc. c. Walter Ditullio*, 2001 CPI 245 (CanLII) (Fed. T.D.) (Le tribunal a estimé que la question de la titularité du brevet nécessitait l'interprétation d'une série de contrats régis par la législation provinciale; le tribunal a déclaré que l'interprétation et l'application de la législation provinciale, notamment la *Loi sur les sûretés mobilières de l'Ontario*, outrepassaient ses compétences.)
 - *University of Toronto v. John N. Harbinson Ltd.*, [2005] O.J. No. 5437 (Ont. S.C.) (Le tribunal a déclaré que la résolution d'un différend sur la titularité d'un brevet fait appel à des principes de common law relativement aux droits de propriété.)
 - *Re Koblensky*, [1969] O.J. No. 873, 13 C.B.R. (N.S.) 317 (Ont. S.C.) (La Cour suprême de l'Ontario a établi qu'un syndic de faillite n'est pas un « cessionnaire subséquent » au sens de la *Loi sur les brevets du Canada*; ainsi, même si la cession des brevets dont les faillis étaient les titulaires avant la faillite n'avait pas été enregistrée, le syndic ne pouvait pas faire la preuve que la cession était nulle à son égard aux termes du paragraphe 53(4)

(auparavant, l'article 51) de la *Loi sur les brevets du Canada.*) – Remarque : la même conclusion s'applique sous l'article 261 du *U.S. Patent Act* (Le syndic n'est pas un « acheteur subséquent » (*subsequent purchaser*) – se reporter au jugement *Waterman v. Mackenzie* cité ci-après au point B.2.)

B. États-Unis

Plusieurs jugements³ ont abordé les incidences du dépôt de sûretés auprès des registres de propriété intellectuelle pertinents (compétence fédérale) et la résolution d'un différend de priorité entre un créancier qui a publié sa sûreté sur une propriété intellectuelle au registre de propriété intellectuelle pertinent et un créancier qui a publié sa sûreté sur la même propriété au registre applicable aux termes de la législation sur les sûretés (i.e. registre sous l'article 9 du l'*Uniform Commercial Code* « *U.C.C.* »).

1. Droits d'auteur

- Droits d'auteur enregistrés

Le prêteur doit enregistrer la sûreté auprès du bureau des droits d'auteurs (US Copyright office) sur un droit d'auteur enregistré. Ce principe s'étend à la publicité de la sûreté sur les revenus générés par un droit d'auteur enregistré (e.g. redevances).

- *Re Peregrine Entertainment Ltd. v. Capitol Federal Savings and Loan Association*, 116 B.R. 194 (C.D. Cal. 1990) (La Cour a appliqué le principe de primauté du *US Copyright Act* face à l'article 9 du *U.C.C.* en jugeant que l'article 205(a) du *US Copyright Act* établit clairement un système national pour l'enregistrement des cessions d'intérêts dans les droits d'auteur et spécifie un endroit de publicité différent de celui prévu par l'article 9 du *U.C.C.*)
- *In re AEG Acquisition Corp.*, 127 B.R. 34 (Bankr. C.D. Cal. 1991), aff'd 161 B.R. 50 (9th Cir. B.A.P. 1993) (La Cour a suivi *Peregrine* et a laissé entendre que les droits d'auteur non enregistrés doivent être enregistrés avant de publier la sûreté sur ces droits.)
- *In re Avalon Software Inc.*, 209 B.R. 517 (Bankr. D. Ariz. 1997) (La Cour a suivi *AEG Acquisition* et a conclu que les sûretés sur les droits d'auteur enregistrés et non enregistrés doivent être publiés auprès du bureau de droits d'auteur américain (US Copyright office), étant entendu que les droits d'auteur non enregistrés doivent avoir fait l'objet d'un enregistrement.)

PAR CONTRE :

- Droits d'auteurs non enregistrés

La publicité d'une sûreté sur un droit d'auteur non enregistré auprès du bureau des droits d'auteur américain (U.S. Copyright Office) doit être effectuée auprès du registre applicable aux termes de la législation sur les sûretés, de compétence étatique (i.e. art. 9 du *U.C.C.*).

³ Veuillez prendre note qu'il ne s'agit que d'un résumé des jugements américains les plus importants.

- *World Auxiliary Power Company*, 244 B.R. 149 (Bankr. N.D. Cal. 1999), a été confirmé en appel, *Aerocon Eng'g, Inc. v. Silicon Valley Bank (In re World Aux. Power Co.)*, 303 F.3d 1120 (9th Circ. B.A.P. 2002).

2. Brevets

Le *U.S. Patent Act* ne peut « primer » sur l'article 9 du *U.C.C.*; par conséquent, la publicité d'une sûreté sur un brevet doit être effectuée auprès du registre applicable aux termes de la législation étatique (i.e. art. 9 of the *U.C.C.*) afin de rendre la sûreté opposable à d'autres créanciers garantis (e.g., syndic de faillite). Cependant, il est également conseillé de publier la sûreté auprès du bureau d'enregistrement des brevets et des marques de commerce américain (United States Patent and Trademark Office [U.S.P.T.O.]) afin de la rendre opposable auprès des acheteurs de bonne foi ou des créanciers hypothécaires/créanciers garantis (« mortgagees »).

- *Waterman v. Mackenzie*, 138 U.S. 252 (1891) (Le syndic n'est pas « un acheteur ou un créancier hypothécaire subséquent » aux termes de l'article 261 du *U.S. Patent Act.*);
- *In re Transportation Design*, 48 B.R. 635 (Bankr. S.D. Cal. 1985);
- *City Bank and Trust Co. v. Otto Fabric*, 83 B.R. 780 (Bankr. D. Kan. 1988) (Cette décision a renversé l'ordonnance rendue par le tribunal de la faillite (1^{ère} instance) en 1985 : *In re Otto Fabric, Inc.*, 55 B.R. 654 (Bankr. D. Kan. 1985);
- *In re Cybernetic Services Inc.*, 239 B.R. 917 (9th Circ. B.A.P. 1999), aff'd 252 F.3d 1039 (9th Cir. 2001) (Les termes « subsequent purchaser or mortgagee » de l'article 261 du *US Patent Act* réfèrent à des personnes qui ont acquis un « titre » dans le brevet; le créancier (lien creditor) qui bénéficie d'une sûreté dans le brevet n'est pas un « subsequent purchaser or mortgagee » et, par conséquent, ce créancier n'a pas à enregistrer sa sûreté sous l'article 261 du *U.S. Patent Act.*);
- *In re Pasteurized Eggs Corp.*, 296 B.R. 283 (Bankr. D. N. H. 2003);
- *In re Tower Tech, Inc.*, 67 Fed. Appx. 521 (10th Cir. 2003);
- *In re Coldwave Systems, LLC*, 368 B.R. 91 (Bankr D. Mass. 2007) (Une sûreté sur un brevet devient opposable aux tiers si elle est publiée selon l'article 9 du *U.C.C.*);
- *In re Particle Drilling Technologies, Inc.*, 2009 WL 2382030 (Bankr. S.D. Tex. 2009) (Les brevets sont des biens personnels ("personal property"); le droit de recevoir les redevances générées par un brevet est sujet au droit des contrats (a royalty interest in a patent "is consideration for sale of the patent and subject to the law of contracts"); le langage dans le contrat prévoyant que le droit aux redevances lie tous les successeurs et cessionnaires n'a pas créé une sûreté « publiée » sur ces redevances);
- *Shuffle Master, Inc. v. Smart Shoes, Inc.*, 2009 WL 3336115 (D. Nev. 2009) (Une dispute de droits prioritaires entre un créancier garanti et l'acquéreur d'un brevet peut être tranchée par une cour étatique sans avoir à interpréter l'article 261 du *U.S. Patent Act.*);

- *Sky Technologies LLC v. SAP AG*, 576 F.3d 1374 (Fed. Cir. 2009) (Le droit étatique établit la propriété d'un brevet et le droit fédéral gouverne la validité et les termes d'une cession d'un brevet, laquelle cession peut être faite par écrit; le *US Patent Act* ne « prime » pas sur les articles du *U.C.C.* traitant de la réalisation d'une sûreté et du transfert de la propriété d'un brevet par opération de la loi; la réalisation d'une sûreté sur un brevet selon l'art. 9 du *U.C.C.* a validement transféré le brevet et une « cession » écrite du brevet suite à la réalisation de la sûreté n'était pas nécessaire.)

3. Marques de commerce

Le *U.S. Trademarks Act* ne peut « primer » sur l'article 9 du *U.C.C.*; par conséquent, la publicité d'une sûreté sur une marque de commerce doit être effectuée au registre applicable aux termes de la loi étatique (art. 9 du *U.C.C.*). Cependant, en pratique, la sûreté est également publiée auprès du U.S.P.T.O.

- *In re Together Development Corporation*, 255 B.R. 606 (Bankr. D.M. 2000).

III. PROCÉDURE D'INSCRIPTION AUX REGISTRES DE PROPRIÉTÉ INTELLECTUELLE

A. Canada

- En ce qui concerne les droits d'auteurs, les brevets et les marques de commerce, l'acte créant la sûreté peut être publié auprès de l'Office de la propriété intellectuelle du Canada;
<<http://www.opic.ic.gc.ca/eic/site/cipointernet-internetopic.nsf/fra/accueil>>

B. États-Unis

- Pour les droits d'auteur, voir : <http://www.copyright.gov/circs/circ12.pdf> (general commentary on Recordation of Transfers and Other Documents);
<<http://www.copyright.gov/forms/formdoc.pdf> (Document Cover Sheet)>
- Pour les brevets, voir : <http://www.uspto.gov/web/forms/pto1595.pdf> (Recordation Form Cover Sheet for Patents); sûretés peuvent être publiées en ligne en suivant les instructions au <<http://etas.uspto.gov/etas/guidelines.jsp>>
- Pour les marques de commerce, voir : <http://www.uspto.gov/web/forms/pto1594.pdf> (Recordation Form Cover Sheet for Trademarks); sûretés peuvent être publiées en ligne en suivant les instructions au <<http://etas.uspto.gov/etas/guidelines.jsp>>

IV. NOMS DE DOMAINE

A. Canada

- *Tucows.Com Co. v. Lojas Renner S.A.*, 2011 CarswellOnt 8081 (Ont. C.A.) (la Cour d'appel de l'Ontario a jugé qu'un nom de domaine est un bien meuble intangible situé dans la juridiction du registraire.)

B. États-Unis

- Nom de domaine = droits de propriété :

- *Kremen v. Cohen*, 337 F.3d 1024, 1030 (9th Cir. 2003);
- *Harrods, Ltd. v. Sixty Internet Domain Names*, 302 F.3d 214 (4th Cir. 2002);
- *Caesars World, Inc. v. Caesars-Palace.Com*, 112 F. Supp. 2d 502 (E.D. Va. 2000);
- *In re Larry Koenig & Assoc.*, 2004 WL 3244582 (Bankr. M.D. La. 2004) (slip opinion)

- Nom de domaine = droits contractuels :

- *Dorer v. Arel*, 60 F. Supp. 2d 558 (E.D. Va. 1999);
- *Zurakov v. Register.com, Inc.*, 2001 WL 36241698 (Trial Order) (N.Y.Sup. Jul 25, 2001) (NO. 600703/01) a été confirmé en appel *Zurakov v. Register.Com, Inc.*, 304 A.D.2d 176, 760 N.Y.S.2d 13, 2003 N.Y. Slip Op. 13230 (N.Y.A.D. 1 Dept. Apr 22, 2003) (NO. 2301);
- *Network Solutions, Inc. v. Umbro International, Inc.*, 259 Va. 759, 529 S.E.2d 80 (2000).

Sûretés sur la propriété intellectuelle

Présentation au Regroupement des praticiens du droit des marques de commerce

Par: Kyriakoula Hatjikiriakos

10 septembre 2013

"Intellectual property used to be the tail that failed to wag the dog in commercial transactions. Now it is the dog itself."

(M. Simensky, *The New Role of Intellectual Property in Commercial Transaction*, *Licensing Economics Review*, v. 2, no. 8 (May, 1982))

Agenda

- ▶ Introduction
- ▶ Contexte commercial
- ▶ Cadre juridique: lois applicables, création et publicité
- ▶ Documentation légale et avis juridiques
- ▶ PI en contexte de faillite/insolvabilité ou restructuration

Introduction

- ▶ PI dans les transactions commerciales: stats
- ▶ Initiatives internationales: CNUDCI
- ▶ Scénarios avec sûretés sur PI

Note: Cette présentation a été préparée par Kyriakoula Hatjikiriakos. Les commentaires ou opinions émis dans ce document ne représentent pas l'opinion de la Banque Nationale du Canada.

Statistiques

"Within the last quarter century, the market value of the S&P 500 companies has deviated greatly from their book value. This "value gap" indicates that physical and financial accountable assets reflected on a company's balance sheet comprises less than 20% of the true value of the average firm. Our further research shows that a significant portion of this intangible value is represented by patented technology."

Statistiques



Source : <http://www.oceantomo.com/productsandservices/investments/intangible-market-value>

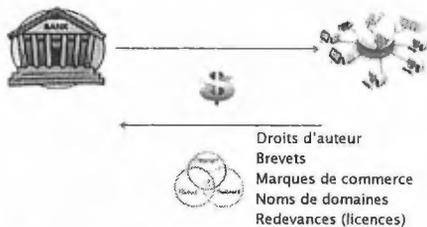
Initiatives internationales

- ▶ Le Guide législatif de la CNUDCI sur les opérations garanties – Supplément sur les sûretés réelles mobilières grevant des propriétés intellectuelles (2011)

http://www.uncitral.org/pdf/french/texts/security/10-57127_Ebook_Suppl_SR_IP_f.pdf

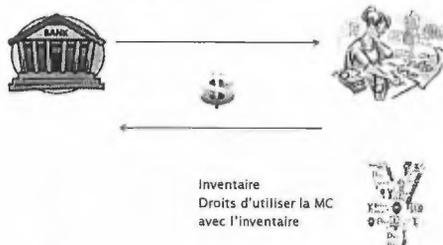
Scénarios

Financement du propriétaire de la PI



Scénarios

Financement du preneur de licence de la PI



Contexte commercial

- › Marché canadien vs. Marché américain
- › Modes de financement de la PI avec prise de sûretés sur PI
 - Prêt avec sûretés sur tous les biens (Toys R' Us)

voir: Toys R Us et Bank of America, 2009
<http://www.lawinsider.com/contracts/3hvrKQveSjvgnvBAfinbjD/toys-r-us-inc/amended-and-restated-credit-agreement/2009-06-25>

- Financement sur base d'actifs

voir: American Apparel et Crystal Financial, 2012
http://www.fags.org/sec-filings/120319/AMERICAN-APPAREL-INC_8-K/d316187dex101.htm#b

- Titrisation: David Bowie; Dunkin' Donuts

- › Réticence face à PI – Risque commercial: valeur de la PI

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Cadre juridique: lois applicables, création et publicité

- › Tableau comparatif des lois applicables

Lois régissant les sûretés	Lois régissant la PI
Objectif: protection des créanciers	Objectif: protection des créateurs
Système d'inscription basé sur le «débiteur» (debtor-specific)	Système d'inscription basé sur la «PI» (asset-specific)
Compétence provinciale/étatique	Compétence provinciale
CCQ (hypothèques), MSA, art. 9, ICC régissent la création, l'inscription, publicité, priorité, réalisation	Dispositions régissant l'inscription de cession/transfert de la PI et effets vis-à-vis 1/3 parties

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Cadre juridique

- › Comment interagissent les lois sur les sûretés et les lois de PI?
 - Portée des dispositions législatives des lois de PI sur cession/transfert de PI
 - Principe de prépondérance/primauté (paramountcy/preemption) et effet sur lieu de publicité de la sûreté (ie. registre des sûretés et registre de PI)

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Cadre juridique

- ▶ **Quelles caractéristiques inhérentes liées à la PI le créancier doit-il considérer au stade de la vérification diligente et de la création de la sûreté?**
 - Titularité
 - Étendue de la protection
 - Registres de PI
 - Caractéristiques liées à la PI
 - Droits d'auteur: renonciation aux droits moraux
 - Marques de commerce: usage et caractère distinctif
 - Contrats de licence
 - Portée des droits du donneur et du preneur de licence
 - Restrictions aux cessions/transferts

Création de la sûreté

- ▶ **Vérification diligente: considérations liées à la PI**
 - Titularité, statut, étendue des droits de PI
 - Documentation légale
- ▶ **Régime des sûretés: catégorisation de la PI et conflits de lois applicables**
 - PI = bien intangible (PPSA/art. 9 UCC); bien incorporel (CCQ)
 - Licences: droits contractuels - Redevances: créances
 - Noms de domaine: droits de propriété ou droits contractuels?
 - Conflits de lois applicables à la validité des sûretés sur des biens incorporels/intangibles (art. 3105 CCQ, 7 PPSA, 1-301 UCC)

Création de la sûreté

- ▶ **Conditions de validité**
 - Hypothèque (art. 2660 ss CCQ)
 - Contrat écrit (art. 2696)
 - Montant (capital et intérêts), description des biens grevés (art. 2667, 2689, 2697)
 - *Security interest (attachment)*: (art. 11 PPSA/art.9-203 UCC)
 - Contrat de sûreté (*security agreement*)
 - Droits dans les biens grevés:
 - Demandes d'enregistrement
 - "Value" (*consideration*)

Publicité de la sûreté

- ▶ **Objectif:** rendre opposable la sûreté vis-à-vis les tiers (autres créanciers, syndic en faillite)
- ▶ **Régime des sûretés**
 - Conflits de lois applicables à la publicité des sûretés sur des biens incorporels/intangibles (art. 3105 CCQ, 7 PPSA, 9-301 UCC)
 - Domicile du constituant (art. 3105 CCQ)
 - *Chief executive office* (art. 7 PPSA)
 - *Location of debtor* (9-307c): *place of incorporation*
- ▶ **Régime de PI**
 - Absence de règles de conflits de lois
 - Inscription des droits au registre de PI où est inscrit la PI: CIPO, US Copyright Office, USPTO
 - Effet de l'inscription

Publicité de la sûreté

- ▶ **Traitement jurisprudentiel**
 - Quel est le statut de l'autorité judiciaire sur la loi applicable à la publicité d'une sûreté sur la propriété intellectuelle?
- ▶ Voir Sommaire distribué

Publicité de la sûreté

- ▶ **Pratique & Procédure pour publicité de la sûreté au Bureaux de PI**
 - Contrat de sûreté abrégé pour la PI (short-form IP security agreement)
 - OPIC: lettre couverture avec référence au contrat de sûreté/hypothèque + frais applicables
 - USPTO: *Recordation Form Cover Sheet* + frais applicables
 - Pour MdeC: <http://www.uspto.gov/web/forms/pto1594.pdf>
 - Pour Brevets: <http://www.uspto.gov/web/forms/pto1595.pdf>
 - US Copyright Office : <http://www.copyright.gov/circs/circ12.pdf>

Documentation légale: contrat de sûreté 

- **Structure du contrat**
 - Cession conditionnelle (conditional assignment): Titre/Droit dans la PI ne sera cédé au prêteur qu'advenant le défaut du débiteur
 - Cession à titre de sûreté (collateral assignment): Titre/Droits dans la PI est conféré au prêteur avec licence au débiteur pour poursuivre ses opérations; titre rétrocedé au débiteur lorsque prêt est remboursé
- **Effets des structures de « cession »**
 - Cession à titre de sûreté: invalide au Québec (dation en paiement- 1801 CCQ)
 - Impact sur obligations du créancier
 - Impact sur les Marques de commerce
- **Sûreté pure et simple avec une procuration (power of attorney)**
 - Débiteur retient titre/droits dans la PI
 - Clause de constitution de la sûreté devrait référer à la création d'une «sûreté» (security interest)

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Documentation légale

- › **Description des biens grevés**
 - **Description « suffisante »**
 - « tous les biens présents et futurs du débiteur» (PI présente et future du débiteur): le cas des oeuvres dérivées/améliorations
 - PI: bien incorporel / «intangible» (PPSA):
 - Pour fins de publicité au bureau de PI pertinent: inclure descriptif de la PI (e.g. marque de commerce, numéro d'enregistrement)
 - **Marques de commerce et achalandage (goodwill)**
 - Au Canada: cession de la M de C sans le « goodwill »:
 - Cession sans « goodwill » pourrait mettre en péril la M de C!
 - Aux EU: cession de la M de C avec le « goodwill »

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Documentation légale

- **Biens tangibles associés à la PI**
 - Biens tangibles = distincts de la PI
 - Biens liés à l'exploitation de la MC
- **Logiciels**
 - Code source/manuels de l'utilisateur
- **Noms de domaines**
 - Contacts (administratif, technique, de facturation)

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Documentation légale

- ▶ **Représentations/Engagements**
 - Représentations/engagements applicables à toute PI
 - Validité/propriété de la PI
 - Enregistrements/demandes
 - Litiges de contrefaçon/infraction
 - Cessions/sûretés
 - Représentations/Engagements propres au type de PI
 - Marques de commerce: usage et maintien du caractère distinctif
 - Droits d'auteur: renonciation aux droits moraux
 - Logiciels: améliorations/œuvres dérivées; divulgations reliées aux nouvelles versions; droit du créancier d'inspecter les nouveaux développements (versions) faits dans la PI
 - Secrets commerciaux: conserver la confidentialité des secrets (e.g. ententes de non-confidentialité avec employés)
 - Noms de domaine: contacts, cession du nom de domaine

Documentation légale

- ▶ **Droits et Recours**
 - Licence
 - Procuration (power of attorney): pouvoir de céder la PI
 - Redevances cédées au créancier

Documentation légale: documents de tierces parties

- ▶ **Consentement de tierces parties**
 - Consentement du donneur de licence (licensor) dans le financement du preneur de licence (licensee)
 - Usage de la doctrine de la première utilisation/ («first-use» doctrine) lors de la réalisation des sûretés par le créancier
 - Noms de domaines: entente tri-partite entre débiteur (détenteur du nom de domaine), registraire et créancier (« Website Host Consent and Waiver Agreement»)
- ▶ **Logiciels: Convention d'entiercement du code source**
 - Créancier devient partie à la convention lorsqu'il finance le preneur de licence

Documentation légale

- ▶ **Avis juridique: sûreté sur la PI**
 - Titularité de la PI
 - Création de la sûreté
 - Licences incessibles
 - Publicité de la sûreté
 - Réserves reliées à l'enregistrement aux registres de PI

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PI et Faillite/Insolvabilité Restructuration

- ▶ **Résiliation des contrats de licence**
 - Droits des preneurs de licence: 65.11(7) LFI, 32 LACC; 365(n) *US Bankruptcy Code*
- ▶ **Cession des contrats**
 - 84.1 de la LFI; 11.3(4) LACC; 365 *US Bankruptcy Code*

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Conclusions

- ▶ PI = composante importante dans plusieurs transactions
- ▶ Compréhension des caractéristiques de PI est primordiale - travailler avec experts en PI
- ▶ Sûretés sur PI = interaction des lois de PI et des lois sur les sûretés
- ▶ Réforme souhaitable...

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