

Patent Security Agreement

This Packet Includes:

1. General Information
2. Instructions and Checklist
3. Patent Security Agreement

General Information

Patent Security Agreement

This Patent Security Agreement is between the owner of a patent or patent application (known as the "grantor") and a company or individual who will claim a security interest (known as "secured party") in these patent instruments pursuant to the terms of a promissory note. Under this agreement the secured party agrees to extend loans to the grantor for a security interest in the patent. This agreement sets out the specific terms of the arrangement including the specifics regarding the patents and that a lien on the patents will be filed by the secured party.

It is essential that this type of business transaction be clearly and succinctly set forth in writing. A written Patent Security Agreement will prove invaluable in the event of disagreements, misunderstandings or litigation between the parties regarding the patents used as security for a loan.

Instructions and Checklist

Patent Security Agreement

- The parties must read the agreement carefully.
- Insert all requested information in the spaces provided on the form.
- This form contains the basic terms and language that should be included in similar agreements.
- This form includes exhibits which should be attached and incorporated as part of this agreement. Schedule A should be read carefully to ensure that it includes all patents and patent applications which are held as security.
- Both the grantor and the secured party must sign the agreement.
- Both parties should retain either an original or copy of the signed agreement.
- All legal documents should be kept in a safe location such as a fireproof safe or safe deposit box.

DISCLAIMER:

FindLegalForms, Inc. (“FLF”) is not a law firm and does not provide legal advice. The use of these materials is not a substitute for legal advice. Only an attorney can provide legal advice. An attorney should be consulted for all serious legal matters. No Attorney-Client relationship is created by use of these materials.

THESE MATERIALS ARE PROVIDED “AS-IS.” FLF DOES NOT GIVE ANY EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY OR COMPLETENESS FOR ANY OF THE MATERIALS FOR YOUR PARTICULAR NEEDS. THE MATERIALS ARE USED AT YOUR OWN RISK. IN NO EVENT WILL: I) FLF, ITS AGENTS, PARTNERS, OR AFFILIATES; OR II) THE PROVIDERS, AUTHORS OR PUBLISHERS OF ITS MATERIALS, BE RESPONSIBLE OR LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOSS OF USE, DATE OR PROFITS; OR BUSINESS INTERRUPTION) HOWEVER USED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT (INCLUDING NEGLIGENCE OR OTHERWISE) ARISING IN ANY WAY OUT OF THE USE OF THESE MATERIALS.

PATENT SECURITY AGREEMENT

This Patent Security Agreement ("Agreement") is entered into on this _____ day of _____ [month and year] at _____ [place of execution], (between [Entity Name] ("Grantor"), residing at [address], and [Entity Name] ("Secured Party"), residing at [address].

RECITALS:

- A. **WHEREAS**, Grantor is the owner of the U.S. patents and patent applications listed on the attached Schedule A (collectively the "Patents")
- B. **WHEREAS**, pursuant to the terms and conditions of the Promissory Note, the Secured Party has agreed to extend loans to the Grantor, repayment of which is evidenced by the Notes, and
- C. **WHEREAS**, pursuant to the Security Agreement, Grantor has given security interest to Secured Party to perform the obligations of Grantor under Note; and
- D. **WHEREAS**, Grantor and Secured Party by this instrument seek to confirm and make a record of the grant of a security interest in the Patents.
- E. **NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby grants to Secured Party a lien and continuing security interest in all of Grantor's right, title, and interest in, to, and under the following (all of the following items or types of Property being herein collectively referred to as the "Patent Collateral"), whether presently existing or hereafter created or acquired;
 - 1. Patent security interest, including, without limitation referred to in Schedule 1 annexed hereto, together with any reissues, continuations, divisions, modifications, substitutions or extensions thereof.
 - 2. All products and proceeds of the foregoing including, without limitation, any claim by Grantor against third parties for past, present, or future infringement or breach of any Patent or Patent Security interest, including, without limitation referred to in Schedule 1 annexed hereto, and any Patent issued pursuant to a Patent Application referred to in Schedule 1 annexed hereto.
 - 3. To secure the payment and performance in full of all of the obligations, the Grantor hereby grants, assigns, transfers and conveys to the secured party, by way of security interest, all of the patent security interest. The secured party assumes no liability arising in any way by reason of its holding such Security interest.

Grantor hereby acknowledges and affirms that the rights and remedies of Secured Party with respect to the liens and security interests in the Patent Collateral made and granted hereby are more fully set forth in the Security Agreement attached hereto as Schedule B, the terms and provisions of which are incorporated by reference herein as if fully set forth herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by its duly authorized officers as of the date written above.

GRANTOR

SECURED PARTY

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF _____)
_____) SS:
COUNTY OF _____)

Subscribed and sworn to before me by _____ (Grantor)
and _____ (Secured Party) this _____ day of _____, 20____.

NOTARY PUBLIC

Schedule A

(Insert Schedule of the Security Interest and the extent of division)

Schedule B
(Security Agreement)