

01-23-2004

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



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

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

1. Name of conveying party(ies):

ArthroCare Corporation

- Individual(s) Association General Partnership Limited Partnership Corporation-State Delaware Other

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

3. Nature of conveyance:

- Assignment Merger Security Agreement Change of Name Other

Execution Date: December 19, 2003

2. Name and address of receiving party(ies)

Name: Wells Fargo Bank, National Association, as Collateral Agent

Internal Address: P.O. Box 150

Street Address: 400 Hamilton Avenue

City: Palo Alto State: CA Zip: 94302

- Individual(s) citizenship Association General Partnership Limited Partnership Corporation-State Other National Banking Association

If assignee is not domiciled in the United States, a domestic representative designation is attached: Yes No N/A (Designations must be a separate document from assignment) Additional name(s) & address(es) attached? Yes No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) See attached Trademark Security Agreement

B. Trademark Registration No.(s) See attached Trademark Security Agreement

Additional number(s) attached Yes No

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

Name: Eric Houser, VP & Senior Relationship Manager

Internal Address: Wells Fargo Bank, National Association, as Collateral Agent

Street Address: 400 Hamilton Avenue, P.O. Box 150

City: Palo Alto State: CA Zip: 94302

6. Total number of applications and registrations involved: 59

7. Total fee (37 CFR 3.41): \$ 1,490.00

- Enclosed Authorized to be charged to deposit account

8. Deposit account number: N/A

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

DO NOT USE THIS SPACE

9. Statement and signature.

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.

Peter Szurley Name of Person Signing

Signature

1/21/2004 Date

Total number of pages including cover sheet, attachments, and document: 9

01/26/2004 LNUELLER 00000077 2015685

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

01 FC:0521 40.00 OP 02 FC:0522 1450.00 OP

**ATTACHMENT I
TO TRADEMARK SECURITY AGREEMENT**

ITEM A. TRADEMARKS

REGISTERED TRADEMARKS

COUNTRY	TRADEMARK	REGISTRATION NO.	REGISTRATION DATE
USA	ARTHROWAND	2,015,685	11/12/96
USA	ARTHROCARE	2,015,686	11/12/96
USA	CAPS	2,300,559	12/14/99
USA	COBLATION	2,279,941	09/21/99
USA	ENTec	2,307,874	01/11/00
USA	VISAGE	2,258,117	06/29/99
USA	COVAC	2,386,100	09/12/00
USA	TURBOVAC	2,440,547	04/03/01
USA	DISCOBLATOR	2,472,239	07/24/01
USA	COBLATOR	2,482,849	08/28/01
USA	HUMMINGBIRD	2,492,972	09/25/01
USA	VERSITOR	2,508,009	11/13/01
USA	TITAN	2,534,981	01/29/02
USA	TRISTAR	2,548,518	03/12/02
USA	RAZORVAC	2,604,819	08/06/02
USA	CAPSURE	2,628,630	10/01/02
USA	COBLATION CHANNELING	2,652,217	11/19/02
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USA	NUCLEOPLASTY	2,735,555	07/08/03

PENDING TRADEMARK APPLICATIONS

COUNTRY	TRADEMARK	SERIAL NO.	FILING DATE
USA	ACCESS	75/401,634	12/08/97
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USA	REFLEX	76/233,697	04/02/01
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USA	PIRANHA (AT)	78/240,608	04/22/03
USA	BELUGA (AT)	78/240,685	04/22/03
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USA	SWORDFISH (AT)	78/240,711	04/22/03
USA	HAMMERHEAD (AT)	78/240,723	04/22/03
USA	TIGER SHARK (AT)	78/240,730	04/22/03
USA	GREAT WHITE (AT)	78/240,738	04/22/03
USA	JAWS (AT)	78/240,743	04/22/03
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USA	A-TECH (AT)	78/245,786	05/03/03
USA	COBRA (AT)	78/245,791	05/03/03
USA	ATLAS	78/243,875	04/30/03
USA	PARAGON	78/243,895	04/30/03
USA	ACD-50	78/243,903	04/30/03
USA	SPINEVAC	78/243,912	04/30/03
USA	MDC	78/243,919	04/30/03
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USA	PERC	78/243,937	04/30/03
USA	MULTIVAC	78/244,015	04/30/03
USA	ULTRAVAC	78/244,025	04/30/03
USA	MULTI-ELECTRODE	78/246,166	05/06/03
	TECH.		
USA	CAM	76/556,084	10/6/03
USA	CAVITY	78/315,847	10/20/03
	SPINEWAND		
USA	MENVAC	76/555,509	10/31/03
USA	MICROBLATOR	76/560,757	11/17/03

TRADEMARK APPLICATIONS IN PREPARATION

COUNTY	TRADEMARK	DOCKET NO.	FILING DATE	EXPECTED SERVICES	PRODUCTS
NONE.					

ITEM B TRADEMARK LICENSES

COUNTY OR TERRITORY	TRADEMARK	LICENSOR	LICENSEE	EFFECTIVE DATE	EXPIRATION DATE
NONE.					

TRADEMARK SECURITY AGREEMENT

This TRADEMARK SECURITY AGREEMENT (as amended, amended and restated, supplemented and/or otherwise modified from time to time, this "*Agreement*"), dated as of December 19, 2003, is between ARTHROCARE CORPORATION, a Delaware corporation (the "*Grantor*"), and WELLS FARGO BANK, NATIONAL ASSOCIATION, AS COLLATERAL AGENT (for the benefit of the Secured Creditors (as hereinafter defined)) ("*Collateral Agent*").

RECITALS

A. The Grantor has previously entered into or is in the process of entering into that certain Credit Agreement, dated as of December 19, 2003 (as amended, amended and restated, supplemented and/or otherwise modified from time to time, the "*Credit Agreement*"), among the Grantor, the financial institutions from time to time parties thereto (collectively, the "*Lenders*"), Bank of America, N.A., as Administrative Agent, and Wells Fargo, as Documentation Agent and Collateral Agent, pursuant to which the Lenders have agreed, subject to certain terms and conditions, to extend various financial accommodations to the Grantor (the Administrative Agent, the Collateral Agent, the Documentation Agent and the Lenders, together with Affiliates of the Lenders with respect to Swap Contracts referred to below are sometimes hereinafter referred to collectively as the "*Secured Creditors*" and individually as a "*Secured Creditor*"). In connection with the transactions contemplated by the Credit Agreement, the Grantor has previously entered into or is in the process of entering into that certain Security Agreement, dated as of December 19, 2003 (as amended, amended and restated, supplemented and/or otherwise modified from time to time, the "*Security Agreement*"), among the debtors (including the Grantor) named therein and the Collateral Agent.

B. In addition, the Grantor may from time to time be liable to the Lenders and/or their Affiliates with respect to Swap Contracts (as such term is defined in the Credit Agreement).

C. As a condition to extending credit to the Grantor under the Credit Agreement, the Secured Creditors have required, among other things, that the Grantor grant to the Collateral Agent for the benefit of the Secured Creditors a lien on and security interest in the personal property and fixtures of the Grantor described herein subject to the terms and conditions hereof.

D. The Grantor will benefit, directly or indirectly, from the financial accommodations extended by the Secured Creditors to the Grantor.

E. The Grantor has duly authorized the execution, delivery and performance of this Agreement.

NOW THEREFORE, for good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), and in order to induce the Lenders to make Loans (including the initial Loans) to the Grantor pursuant to the Credit Agreement, and to induce Secured Creditors to enter into Swap Contracts, the Grantor agrees, for the benefit of each Secured Creditor, as follows.

Section 1. Definitions. Unless the context otherwise requires, each capitalized term used but not otherwise defined herein has the meaning ascribed thereto or otherwise provided for in the Security Agreement.

Section 2. Grant of Security Interest. For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure all of the Secured Obligations, the Grantor does hereby mortgage, pledge and hypothecate to the Collateral Agent (for the benefit of the Secured Creditors), and grant to the Collateral Agent (for the benefit of the Secured Creditors), all of the following property (the "*Trademark Collateral*"), whether now owned or hereafter acquired or existing by it:

- (a) all trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, certification marks, collective marks, logos, other source of business identifiers, prints and labels on which any of the foregoing have appeared or appear, designs and general intangibles of a like nature (all of the foregoing items in this clause (a) being collectively called a "*Trademark*"), now existing anywhere in the world or hereafter adopted or acquired, whether currently in use or not, all registrations and recordings thereof and all applications in connection therewith, whether pending or in preparation for filing, including registrations, recordings and applications in the United States Patent and Trademark Office or in any office or agency of the United States of America or any State thereof or any foreign country, including those referred to in Item A of Attachment 1 attached hereto;
- (b) all Trademark licenses, including each Trademark license referred to in Item B of Attachment 1 attached hereto;
- (c) all reissues, extensions or renewals of any of the items described in clauses (a) and (b);
- (d) all of the goodwill of the business connected with the use of, and symbolized by the items described in, clauses (a) and (b); and
- (e) all proceeds of, and rights associated with, the foregoing, including any claim by the Grantor against third parties for past, present or future infringement or dilution of any Trademark, Trademark registration or Trademark license, including any Trademark, Trademark registration or Trademark license referred to in Item A and Item B of Attachment 1 attached hereto, or for any injury to the goodwill associated with the use of any such Trademark or for breach or enforcement of any Trademark license.

Section 3. Security Agreement. This Agreement has been executed and delivered by the Grantor for the purpose of registering the security interest of the Collateral Agent in the Trademark Collateral with the United States Patent and Trademark Office and corresponding offices in other countries of the world. The security interest granted hereby has been granted as a supplement to, and not in limitation of, the security interest granted to the Collateral Agent for its benefit and the benefit of each Secured Creditor under the Security Agreement. The Security Agreement (and all rights and remedies of the Collateral Agent and each Secured Creditor thereunder) shall remain in full force and effect in accordance with its terms.

Section 4. Release of Security Interest. Upon payment in full in cash of all Secured Obligations and the termination of the Aggregate Commitments, the Collateral Agent shall, at the Grantor's expense, execute and deliver to the Grantor all instruments and other documents as may be necessary or proper to release the lien on and security interest in the Trademark Collateral which has been granted hereunder.

Section 5. Acknowledgment. The Grantor does hereby further acknowledge and affirm that the rights and remedies of the Collateral Agent with respect to the security interest in the Trademark Collateral granted hereby are more fully set forth in the Security Agreement, the terms and provisions of which (including the remedies provided for therein) are incorporated by reference herein as if fully set forth herein.

Section 6. Loan Document. This Agreement is a Loan Document executed pursuant to the Credit Agreement and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions of the Credit Agreement.

Section 7. Counterparts. This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. The Grantor acknowledges that this Agreement is and shall be effective upon its execution and delivery by the Grantor to the Collateral Agent, and it shall not be necessary for the Collateral Agent to execute this Agreement or any other acceptance hereof or otherwise to signify or express its acceptance hereof.

Section 8. GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF CALIFORNIA APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY WITHIN SUCH STATE; *PROVIDED* THAT THE COLLATERAL AGENT SHALL RETAIN ALL RIGHTS ARISING UNDER FEDERAL LAW.

Section 9. JURISDICTION. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF CALIFORNIA SITTING IN THE CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA OR OF THE UNITED STATES FOR THE NORTHERN DISTRICT OF SUCH STATE, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH OF THE GRANTOR AND THE COLLATERAL AGENT CONSENTS, FOR ITSELF AND IN RESPECT OF ITS PROPERTY, TO THE NON-EXCLUSIVE JURISDICTION OF THOSE COURTS. EACH OF THE GRANTOR AND THE COLLATERAL AGENT IRREVOCABLY WAIVES ANY OBJECTION, INCLUDING ANY OBJECTION TO THE LAYING OF VENUE OR BASED ON THE GROUNDS OF *FORUM NON CONVENIENS*, WHICH IT MAY NOW OR HEREAFTER HAVE TO THE BRINGING OF ANY ACTION OR PROCEEDING IN SUCH JURISDICTION IN RESPECT OF THIS AGREEMENT OR ANY OTHER DOCUMENT RELATED HERETO. EACH OF THE GRANTOR AND THE COLLATERAL AGENT WAIVES PERSONAL SERVICE OF ANY SUMMONS, COMPLAINT OR OTHER PROCESS, WHICH MAY BE MADE BY ANY OTHER MEANS PERMITTED BY THE LAW OF SUCH STATE.

Section 10. WAIVER OF JURY TRIAL. EACH OF THE GRANTOR AND COLLATERAL AGENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM,

DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER DOCUMENT RELATING HERETO, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

Section 11. Patriot Act. The Collateral Agent (for itself and not on behalf of any other Person, including any Secured Creditor) hereby notifies the Grantor that, pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Grantor, which information includes the name and address of the Grantor and other information that will allow the Collateral Agent to identify the Grantor in accordance with the Patriot Act.

Section 12. Time of the Essence. Time is of the essence of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the day and year first written above.

**ARTHROCARE CORPORATION, A DELAWARE
CORPORATION**

By *F. Sanchez*
Name: Fernando Sanchez
Title: Chief Financial Officer

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS COLLATERAL AGENT**

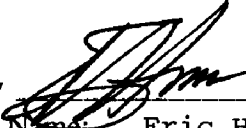
By _____
Name: _____
Title: _____

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**ARTHROCARE CORPORATION, A DELAWARE
CORPORATION**

By _____
Name: _____
Title: _____

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
AS COLLATERAL AGENT**

By  _____
Name: Eric Houser
Title: Vice President

**ATTACHMENT I
TO TRADEMARK SECURITY AGREEMENT**

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NONE.					

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