



Mark Cochran
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July 26, 2004

Mr. Robert Snively
T11 Chairman
c/o Brocade Communication Systems, Inc.
1745 Technology Drive
San Jose, California 95110

Re: Notice of Patent Issuance

Dear Mr. Snively:

This letter is to inform you that Brocade has been awarded U.S. Patent No. 6,765,919 entitled "Method and System for Creating and Implementing Zones within a Fibre Channel System." A copy is attached for your information. The patent generally relates to concepts and mechanisms for soft zoning as defined and specified in FC-GS-4 and FC-SW-3.

Brocade reiterates its previously filed statement that it is willing to negotiate licenses for its IPR on reasonable and nondiscriminatory terms and conditions, and further states that such willingness extends to the above-mentioned patent. In particular, Brocade is willing to negotiate nonexclusive, worldwide licenses under its IPR to allow the manufacture, use, sale, offer for sale and importation of the portions of any product that implement and are compliant with all relevant portions of the standards; provided that these licenses may not extend to any part of function of a product that is not required to implement or comply with the standard.

Brocade's license grant may be conditioned upon the licensee's grant of a reciprocal license under the licensee's IPR and IPR owned by parties with which licensee is affiliated. In assessing what terms are reasonable, Brocade may refer to the royalty rates that a potential licensee has set for its own IPR and IPR of parties with which it may be affiliated. Brocade also reserves the right to grant licenses to its IPR as part of a cross-license with any other party.

Please contact the Office of the General Counsel at Brocade Communications Systems, Inc., 408-333-5410 concerning any licensing matters.

Very truly yours,

A handwritten signature in black ink, appearing to be 'Mark Cochran', written over a horizontal line.

Mark Cochran
Vice President, General Counsel

cc: Lynn Barra

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