

CRUISE TO SUCCESS OR DROWN IN LEGALITIES



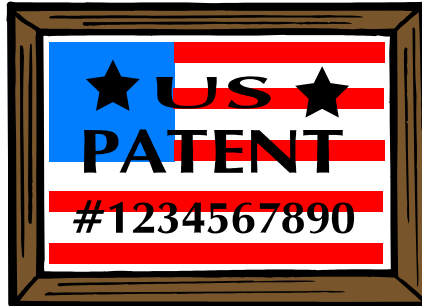
Bob Goldberg
bob.goldberg@sfnr.com
312/648-2300

PATENT TROLL



- Patent Holding Company
- Non Practicing Entity
- No Product
- No Service
- Revenue From Enforcing Patents

THE PATENTS



- Laurence Klein Patents
- 7,986,426—2011-Document Management
- 7,477,410—2009-Virtual Copying
- 6,771,381—2004-Virtual Copying
- 6,185,590-2001-Process
- 8,427,688-2013-Process Document Management
- Idea Novel, New Technology
- Prior Art—Xerox, Ricoh

(12) United States Patent Klein

(10) Patent No.: US 7,986,426 B1
(45) Date of Patent: Jul. 26, 2011

(54) DISTRIBUTED COMPUTER ARCHITECTURE
AND PROCESS FOR DOCUMENT
MANAGEMENT

filed on Oct. 18, 1996, provisional application No.
60/028,685, filed on Oct. 18, 1996.

(75) Inventor: Laurence C. Klein, Silver Spring, MD
(US)

(51) Int. Cl.
G06F 3/12 (2006.01)
H04N 1/00 (2006.01)

(73) Assignee: Renaissance Group IP Holdings, LLC,
Atlanta, GA (US)

(52) U.S. Cl. 358/1.15; 358/1.13; 358/1.6; 358/1.1

(*) Notice: Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 235 days.

(58) Field of Classification Search 358/1.1,
358/1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, 1.9, 1.11,
358/1.12, 1.13, 1.14, 1.15, 1.16, 1.17, 1.18,
358/402, 403, 407, 425, 468; 710/8, 14,
710/15, 33, 62, 63, 64, 65, 72, 73; 347/2,
347/3, 5, 14, 23; 399/8, 9, 1
See application file for complete search history.

(21) Appl. No.: 12/228,104

(56) References Cited

(22) Filed: Dec. 4, 2008

U.S. PATENT DOCUMENTS

Related U.S. Application Data

5,303,336 A 4/1994 Kageyama et al.
5,666,495 A 9/1997 Yeh

PROJECT PAPERLESS

- Blue Wave Computing
- \$1,000/Employee
- Recognized By Others
- Denied Infringement
- Third Party Complaint
- Case Dismissed-With Prejudice



ALPHABET SOUP



- MPHJ Technology Investments, LLC
- JusLem, FanPar, InkSen, HunLos, HanMea, BetNam, GosLan, FasLan, AllLed, HadOpp, CalLad, CalNeb, FolNer, HeaPle, EliPut, LLC
- 40 East Main Street, Newark, Delaware
- /s/ David Martin
- Network Scanning Solution, LLC
- 1220 N Market Street, Wilmington, Delaware
- /s/ David Martin

GanPan, LLC

40 East Main Street, #19
Newark DE 19711
866-916-1758
licensing@gan-pan.org
November 12, 2012

Mr. Boris Adlam
President
Nexus Management Inc
4 Industrial Pkwy
Brunswick, ME 04011-7314

Re: GanPan Patent Licensing Program – File No. 1014240

We are the licensing agent for certain U.S. patents listed below. We have identified your company as one that appears to be using the patented technology, and we are contacting you to initiate discussions regarding your need for a license. In this letter, we explain what the patents cover, how you likely have an infringing system, explain why a license is needed, and provide you the general terms for such a license. We also answer some frequently asked questions, as well as explain how you can determine whether you do have an infringing system that requires a license. We should note that we have written you with the understanding that you are the proper person to contact on behalf of Nexus Management Inc. If you are not the proper person to handle this matter on behalf of the company, please provide this letter to the proper person, and notify us so that we may update our records and contact them directly in the future.

To turn to the matter at hand, the patents for which we are the licensing agent are listed below. The list includes both issued U.S. patents, as well as a patent application which is expected to issue in the future as an additional U.S. patent.

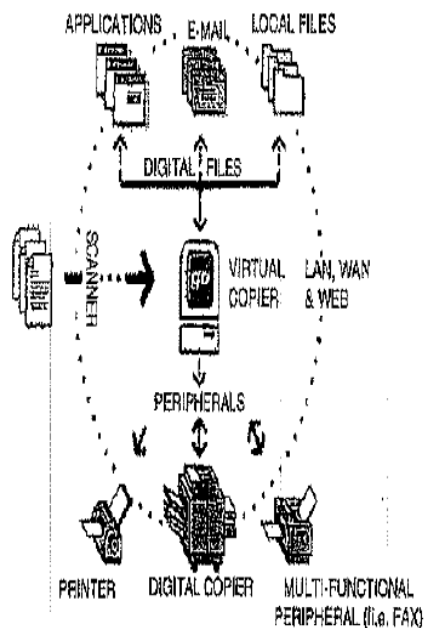


Fig. 28

CONTACTING EXCLUSIVE LICENSING AGENT

- Legal Department
- No Information On Entities
- Answering Service



FARNEY DANIELS PC

800 South Austin Ave., Suite 200
Georgetown, Texas 78626-5845

Silicon Valley

Dallas

www.farneydaniels.com

February 19, 2013

Delaware

Austin/Georgetown

Re: HanMea, LLC Patent Licensing

We are writing on behalf of our client, HanMea, LLC ("HanMea"). Several weeks ago, they wrote you a letter regarding their licensing program with respect to certain U.S. patents. The patents related to systems that, among other things, can permit scanning a document and have it automatically sent over a local area network to an email account. These patents included U.S. Pat. Nos. 7,986,426; 7,477,410; 6,771,381; 6,185,590. In their letter, our client described these patents, the technology, and infringement. They then asked you either to respond by entering into discussions to take a license, or, if appropriate, to provide confirmation that your company does not have an infringing system. Having not heard from you, our client reasonably assumes you do have an infringing system and need a license. Accordingly, they have referred the matter to us to determine whether we may be able to work out a license with you, or whether additional steps might be required.

FARNEY DANIELS LLP

Silicon Valley
Dallas

809 South Austin Ave., Suite 200
Georgetown, Texas 78626-5845
www.farneydaniels.com

Delaware
Austin/Georgetown

February 11, 2013

Via First Class Mail

Mr. Fred Richards
Richards & Sons Construction
1301 Avenue I
Bessemer, AL 35020-6682

Re: FraMor, LLC Patent Licensing

We write with respect to the patent licensing efforts of our client, FraMor, LLC. This is the third letter you have received on this topic. The first letter, sent to you some time ago, provided a detailed explanation of what our client's patents cover, how you likely have an infringing system and therefore require a license, and provided you with the general terms for such a license. We then wrote you several weeks ago, noting that our client had not received a response from you, and had turned the matter over to us in hopes that we would be able to work out a license agreement. Both letters advised you to seek patent counsel for assistance. As you have not contacted us to explain that you do not have an infringing system, we reasonably can only assume that the system you are using is covered by the patents. In that case, you do need a license.

IN THE UNITED STATES DISTRICT COURT Northern District of Alabama

FraMor, LLC

Plaintiff,

Civil Action No. _____

v.

JURY TRIAL REQUESTED

Richards & Sons Construction

Defendant.

COMPLAINT

Plaintiff FraMor, LLC ("FraMor" or "Plaintiff"), by way of Complaint against Defendant Richards & Sons Construction ("Richards & Sons Construction" or "Defendant"), hereby alleges as follows:

LITIGATION

- Farley Daniels LLP
Rob Kiddie/Meghan
Whitehead-Letter
- 3rd Letter Received
- Advised to Seek Patent
Counsel
- “Forced to File
Complaint” Federal Ct.
- Patent Litigation



DRAFT COMPLAINT



- Not Filed-No Case #
- “Information & Belief”
- End User System
Unknown
- Equipment/Software
Alone Does Not Infringe
- Microsoft Windows
- Infringement/Damages/
Attorney Fees/Costs

PATENT ATTORNEY



- Expense For Consultation
- Expense For Review
- Investigation of Patents and Prior Art
- Litigation:
 - Discovery, Trial, Appeals
- License Fee Alternative



END USER RESPONSE

- Not My Problem
- Dealer/Supplier Responsible
- Do Not Understand
- How to Respond
- Third Party Actions
- Tarnish Vendor/Supplier Image



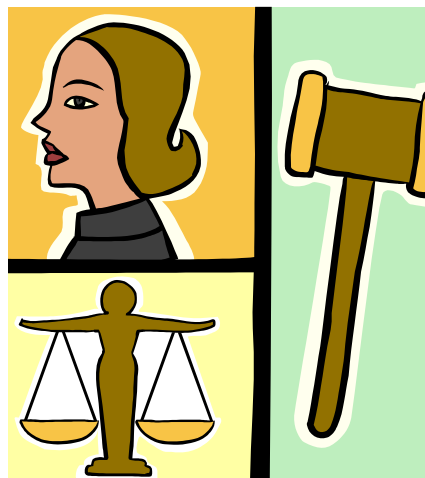
THE PERCEPTION

That isn't to say suppliers should be off the hook. The "End User" is convinced that copier suppliers are among the villains in this story. They're selling the copiers for high prices, advertising the push-button scan-and-send feature, aware that the purchasers may be hit with a demand for licensing fees later. You buy a \$4,000 copier, then you have to spend \$100,000 to use the thing. They're not willing to warn customers of the potential for licensing fees and should band together to buy the patents and eliminate the issue.



LIABILITY

- End User
 - Dealer
 - Supplier
- All Can be on the right of "VERSUS"
- Industry Summit



PROPOSED SOLUTIONS



- White House-Legislative/
Executive Orders
- Congress- 4 Bills Pending
- Ethics Complaint-Attorneys
- Industry Pamphlet-BTA
- Declaratory Judgment
- Patent Office Challenges
Re-Examination
Interested Party Review
Ricoh, Xerox, HP
- RICO Action
- Other

LITIGATION

It is here where counsel may suggest the practical solution of paying a license fee in the range of \$1,000 per employee rather than paying attorneys and litigation expenses. In only one situation has a lawsuit been filed and that was by a company no longer making license fee demands. The litigation was dismissed when counterclaims were filed and defendants with significant resources were added. It is significant to note that the claims are not being lodged against the manufacturers of the equipment or the developers of the software. Manufacturers and software developers have the resources small businesses lack to successfully challenge the patents and put a stop to the endless demands being made.



RESOURCE




The Business Technology Association (BTA) is an international not-for-profit trade organization dedicated to assisting office technology dealers through education, training, information and benefits. BTA has been representing the industry for more than 80 years.

For additional information:
Business Technology Association
12411 Wornall Road
Kansas City, MO 64145
(816) 941-3100
www.bta.org

PATENT TROLLS Am I At Risk?





Q&A

What are the options?

- Ignore the initial letter from the licensing agent.
- Ignore the follow-up letter from the Texas law firm.
- Respond to the letter seeking specifics as to the equipment, software and applications in use that are believed to infringe.
- Respond to the letter denying that there is any infringement and request details as to the infringement.
- Respond that the patents appear to be invalid based upon prior art and prior patents by international corporations.
- Request judicial rulings as to the validity of the patents.
- Engage legal counsel to review your situation and respond to the demands.
- Pay the license fee.

If a suit is filed, notify the Business Technology Association.

SCAN, NETWORK, EMAIL

Have you received a letter from one of the many licensing agents of MPHJ Technology Investments LLC? These entities include JusLem LLC, InkSen LLC, EliPut LLC and many others. The correspondence suggests that your company is using patented technology that requires a license for each employee that is scanning, sending scans over a network and emailing a document — a common office function practiced throughout the business world.

The correspondence is sent by what are referred to as “patent trolls.” A patent troll is an entity that neither produces a product nor service, but is established merely to enforce a patent or patents. The patents referenced in the letter are commonly known as the Laurence Klein patents and their descriptions

run nearly 80 pages each. The validity of the patents has been questioned, but that is where your dilemma lies. Challenging a patent involves expensive litigation and considerable time. Neither of these commodities are plentiful for a small business. So, a practical decision is to pay the license fee and avoid controversy. But is that the correct decision?

Recognize that the claim is being made without ever seeing your business, the equipment used (if any) or knowing the process is in use. Many companies have ignored the initial letter only to receive a follow-up from a Texas law firm with a draft complaint alleging violations of the Klein patents. Again, some businesses have ignored this correspondence and others have sought legal counsel.

PROPOSED SOLUTIONS



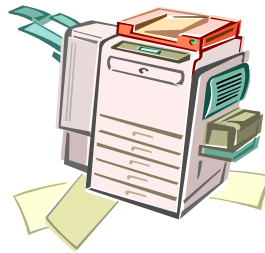
- White House-Legislative/ Executive Orders
- Congress- 4 Bills Pending
- Ethics Complaint-Attorneys
- Industry Pamphlet-BTA
- Declaratory Judgment
- Patent Office Challenges
- Re-Examination
- Interested Party Review
- Ricoh, Xerox, HP
- RICO Action
- Other

END USER OPTIONS

- Ignore the initial letter from the licensing agent.
 - Ignore the follow-up letters from the Texas Law Firm.
 - Respond to the letter seeking specifics as to the equipment, software and applications in use that are believed to infringe.
 - Respond to the letter denying that there is any infringement and request details as to the infringement.
 - Respond that the patents appear to be invalid based upon prior art and prior patents by international companies. Inquire if there are any judicial rulings upholding the patents?
 - Engage Legal Counsel to review your situation and respond to the demands.
 - Pay the license fee.
- IF SUIT IS FILLED:**
- Notify the Business Technology Association 800/869-6688

DATA SECURITY

- Hard Drive Security an area of heightened concern since CBS Evening News Broadcast of 04/15/2010.
- Television, Newspapers, Magazines.
- Information Conveyed?
- Accurate?
- Unbiased?



HARD DRIVE

- Obtain Used Copier
- Remove Hard Drive
- Program to Decipher Data
- Find Valuable Information
- Profit
- No Data Breaches From Copiers



BUSINESS TECHNOLOGY ASSOCIATION DIGITAL PHOTOCOPIER, PRINTER, FACSIMILE AND SCANNER HARD DRIVE SECURITY FACT SHEET

Robert C. Goldberg
General Counsel

- Products delivered in the past five years contain Security Features.
- Images are not retained on the Hard Drive for standard print, scan, fax, or copy jobs.
- Documents stored on the Hard Drive are those designated for specific individuals "Electronic Mailbox" or a secure print.
- Random Access Memory (RAM) is used to process all other jobs.
- Random Access Memory is deleted after a job is processed.
- It is impossible to extract data processed through RAM once the job is processed.
- Half of the equipment prior to 2005 did not contain a Hard Drive.
- The average life of a copier is 36 months.
- Most copiers at the end of a lease term are sold to a wholesaler. Wholesalers as part of the resale process are erasing all Hard Drives of older equipment and ensuring all equipment is cleansed.
- Presently equipment has automatic encryption as a standard feature and not as an option.
- Manufacturers, Dealers, and Resellers have advised end users to activate their encryption options for years. Encryption is a default option. Hard drive sanitation requires the pressing of a few buttons and no more than thirty seconds.
- Manufacturers have published on their web sites a listing of all equipment and the steps required to employ data cleansing and sanitation.
- A massive communication effort is underway to advise all end users of the need to protect any data on their equipment. With every service call and renewal of maintenance agreement the end user is being reminded of the need to protect their data and the safeguards available.
- The Business Technology Association has prepared a Pamphlet being distributed nationwide advising of Data Security responsibilities.
- Several States are utilizing Public Service Announcements to further educate the public.
- Data Security is required on a national level due to Legislation such as Sarbanes-Oxley Act (SOX), Gramm-Leach-Bliley Act (GLB), Health Insurance Portability and Accountability Act (HIPAA) and Family Education Rights Privacy Act (FERPA). Each requires that IT administrators ensure the security and privacy.

www.bta.org
Making Profitable Connections

ProCERTIFICATION

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OPPORTUNITY

- Disclosure:
During Sales Presentations
- Service Visits
- Periodic Notices
- End of Life



SERVICES



- 18 Point Inspection
- Original Factory Settings
- Data Security Kits
- Data Wipe Dept. of Defense (DoD 5220.22M)
- Triple Reformat
- Single Reformat
- Hard Drive Removal
- Hard Drive Destruction
- Wholesalers

DATA CLEANSING WAIVER

(Company Name)

("Customer") has been advised that data and/or images may be retained on the hard drive(s) of its equipment and hereby declines the services offered to erase and/or destroy said data and/or images. Customer assumes all liability for the disclosure of said data and/or images and holds _____ (Dealer) harmless from any and all claims, including attorneys fees and costs. Customer acknowledges its full responsibility for any damages and/or financial penalties which may be incurred.

By: (Print) _____ **Title:** _____

By: (Signature) _____ **Date:** _____



Unquestionably the age of technology has vastly changed the way businesses operate with increased speed of communication, document production and replication. Similarly, security issues have grown well beyond the need to throw away a carbon copy. In fact, successful offices today are alert and attuned to security issues throughout their businesses and have detailed security protocols in place. Documents are shredded to prevent Dumpster Diving. Firewalls are installed to prohibit hackers. Employees are trained to refrain from opening unsolicited emails, responding to phishing emails, or transmitting sensitive information without encryption. Passwords are unique and changed regularly and even physical security has been increased with limited access to buildings, file cabinets, and networks. With all of these measures in place, one would expect security to be almost unbreachable, but one important area often remains unprotected: copying and printing devices. State-of-the-art copiers, printers, fax machines, and multifunctional devices are all potential security hazards.

When these machines improved from analog to digital operations, they became much more efficient, but caused new confidentiality problems. In recent years these devices contain a hard drive that renders them a computer in disguise. Failure to recognize this fact meant no measures were taken to deal with erasing a hard drive and, therefore, information was subject to theft.

Security Is The End Users Responsibility

When copying or printing confidential information, it is up to the end user to ensure the data will be protected. Whether at the office, copy shop, library, or grocery store the copy or print one takes away may leave a trail of data for others to access. Most likely the personal or home use devices are not equipped with a hard drive and use volatile memory that is erased once the image is processed. As the functionality of the device increases, so do the security risks. Is it possible to take advantage of this new, improved equipment and still protect the integrity of the information? **It is if:**

The End User Asks the Right Questions of the Right People

1. Check with your vendor or manufacturer's website to determine if the device has a hard drive or other method of data storage. Also find out if the hard drive is actually used in the copy-making process. Once it is clear that the machine does present a problem, remedies are available.

2. Determine from the vendor what standard features and settings are built into the device and how additional options can be activated to provide greater security.

3. Some devices have options that can be installed to address this issue such as:

Image overwrite systems provide for instant, scheduled, or on-demand overwrite. Effective overwriting will electronically shred data. Overwriting may affect the speed of the machine's operation if done immediately, however a few seconds for security is well worth the time. In contrast, simply deleting the file will only mask the location but keep the data intact.

Encryption packages render images indecipherable. Many of these packages meet Department of Defense and Advanced Encryption Standards and are offered by all manufacturers and implemented through your vendor.

Settings. The proper setting of machine options can optimize security. The vendor can assist or merely review the menu on the equipment to choose the security options.

A security audit of copiers, fax machines, printers, and multifunctional devices connected to the internet or network can assure that all firewalls are in place, up to date, and effective. When this equipment is discarded, all IP and email addresses must be deleted. This can be done through the menu on the machine and the vendor can explain this process as well.

Hard Drive Destruction is the most effective means of assuring data security. Destruction of the hard drive, replacement with a new one and reinstallation of the operating system eliminates all data. Physically shredding the hard drive will guarantee confidentiality. This service is available through both vendors and manufacturers.

Maintaining and securing confidential information is the user's responsibility, but the business equipment and systems industry understands the problems and knows the solutions. Whether the goal is to protect a business, or to comply with HIPAA, Sarbanes-Oxley, or Gramm-Leach, the tools are available. Ask the right questions and contact your office technology vendor for help. Begin the process when evaluating the equipment and make security part of the equipment solution.



For additional information:
Business Technology Association
12411 Wornall Road
Kansas City, Missouri 64145
816/941-3100
www.bta.org

DATA SECURITY for Copiers, Faxes, Prints and Scans



Business Technology Association

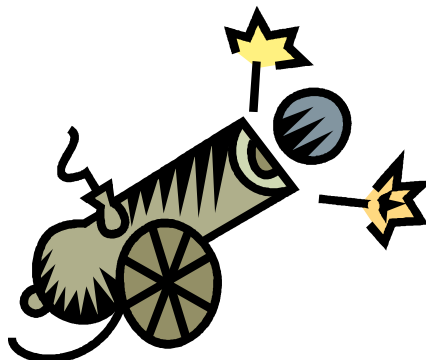
RICOH



- Savin Dealer
- Cash Discount
- Exceeded Annual Quota
- Champs/RMAP Programs
- Geographic Penetration Insufficient.
- Equipment/Parts/supplies

CANON

- Business Sale
- Assign Dealer Contract
- Pay Canon Receivable
- Refused To Approve
- Established Dealer
- Business Plan
- Give Up Competitive Line



THE FUTURE?

- Dealer Channel
- Technology Changes Marketplace
- Overall Decline In Printed Pages
- POS, I Pad vs. System
- Mailing Equipment Decline In First Class Mail
- Increased Costs/Inflation
- Industry Consolidation
- Restrictive Dealer Policies
- Increased Dealer Opportunities
- Dealer Diversification
- Examine Your Own Habits
- Lack Of New Dealer Entrants
- Services???

PARADIGM SHIFT

- Equipment & Maintenance
- Managed Services
- Value Added
- MPS Talk of the Town
- Independent Dealer Talk of the Town
- Your Name vs. Supplier Name
- Creating Need



Planning For the Future



- Talking is Not Planning
- Plans Can Change
- Establishing a Business and Personal Strategy is Essential
- Evaluate Business Environment
- Evaluate Personal Goals

PLANNING



- Business Plan
- Estate Plan
- Business Succession
- Asset Protection
- Selling Your Business

SELLING YOUR BUSINESS



- Only 1% of Small Businesses Sold
- Prepare For Sale
 - Books, Receivables, Inventory, A/R, A/P
- Consultants/Formers Servicers
- Tax Considerations
- Revenue Goal, Net Profit Measure

TEAM BUILDING

- Expectations
- Materials & Equipment
- Recognition
- Care About Person
- Encouragement
- Opinions Welcomed
- Mission/Purpose
- Co-Workers Committed
- Reviews
- Growth



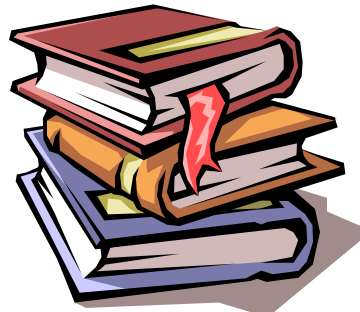
EDUCATION

Training
Technical
Administrative
Certification
Customer Relations
Continuing Education
Industry Literature
Conferences
Trade Shows
Networking
Peer Groups



EMPLOYMENT AGREEMENTS/POLICIES

- Protection of Confidential Information
- Non-Compete
- Non-Solicitation
- Non-Disclosure



DIGITAL CONFIDENTIALITY



- Monitor All Company Equipment
- Written Policy
- Company/Private
- Federal/State Law
- Social Networking Accounts

FAIR LABOR STANDARDS ACT

Exempt

White Collar

Executive

Administrative

Professional

Highly Skilled Computer Professional

Salary Based Compensation

Exempt

Volunteers

Trainees

Students



OVERTIME TRAPS

- Failure To Maintain Time Records
- Pagers, Cell Phones, Mobile Devices
- Travel Time
- Education/Training
- Policy Statement
- DOL Time Sheet App



U.S. Department of Labor -- DOL Mobile Applications

www.dol.gov/dol/apps

DOL-Timesheet. An app for employees to independently track the hours they work and determine the wages they are owed.

TECHNOLOGY



- Paperless Office
- GPS
- Laptop, iPad
- Email, Instant Messaging
- Contract Processing
- Cyber Complaints

DELEGATION TRAPS

- Remote Banking
- Credit Card Use
- Withholding Taxes



APPEARANCES



- Vehicles
- Uniforms
- Tools/Equipment
- "The Meaning of Yes"
- Web Site
- Green Programs

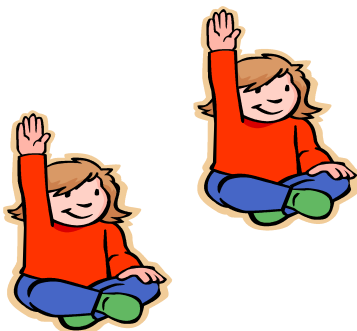


CONTRACT TRAPS



- Choice of Law
- Jurisdiction
- Liability Limitations
- Quotas
- Termination
- Competitive Products
- Exclusive/Non-Exclusive

QUESTIONS?



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