Trolling for a Public Trough:
How Patent Assertion Entities Cost Taxpayers

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Trolling for a Public Trough:

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Introduction

Congress has taken steps in recent years to reform the U.S. patent system, partly due to the rise of "patent assertion entities." PAEs are companies that don't sell, produce or invent anything, but acquire or purchase patents and demand licensing fees from other companies that develop similar technology or adopt it without knowledge of the original patent.

Those demands often are made through litigation or threats of a lawsuit. "Patent trolls," as some deride them, now increasingly try to sink their teeth into public coffers by suing transit agencies, cities, utilities, and even the U.S. Postal Service. These lawsuits have cost public entities hundreds of thousands of dollars – and possibly millions – often without testing the validity of the claims or the patents in question.

Patent lawsuits are risky and expensive, and cash-strapped public agencies can least afford to pay. That works in the favor of trolls hoping to force settlements over public entities' use of technology that was purchased to improve service for taxpayers.

While PAEs are more known for targeting software and technology companies, they increasingly go after "end-users." That's why government agencies now see more demand letters from PAEs. Public entities, just like private consumers and businesses, use GPS software, electronic scanners, or online bill-pay systems – all modern-day conveniences that have been the focus of PAE litigation.

An increase in PAE activity coincided with an explosion in the tech industry, leading to a flurry of lawsuits claiming exclusive ownership of such technologies as wireless email, digital video streaming, and interactive Web sites. PAES accounted for 62 percent of all patent litigation in 2012 [1].

Patent litigation cost defendants $29 billion in direct costs in 2011, a 400 percent increase from $7 billion in 2005. Some researchers estimate that less than 25 percent of that cash flows back into researching and developing new products.

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[1] "An Overview of the "Patent Trolls" Debate, Brian T. Yeh, Congressional Research Service.

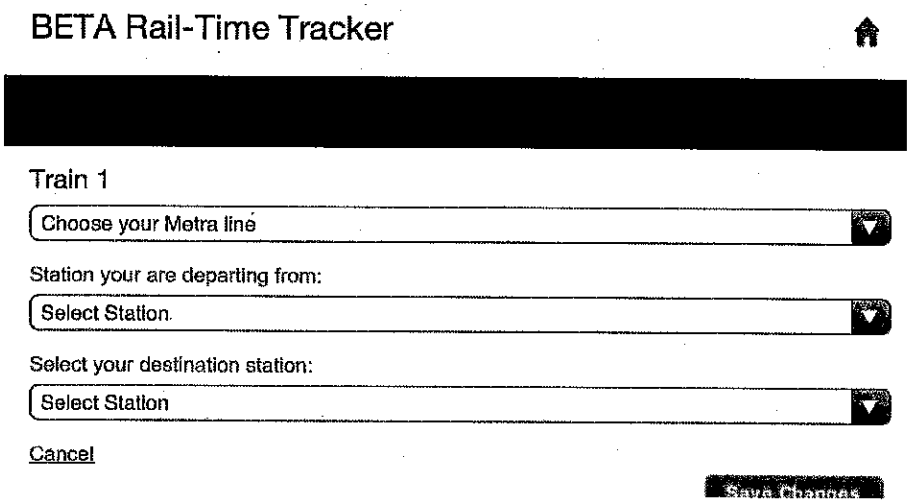
In the public sector, a payout means money siphoned away from public services. The following report contains four examples of how PAEs have impacted the public sector and hit taxpayers in the pocketbook.

A "Shakedown" of Public Entities

Transit: Many transit agencies have adopted GPS software to track vehicles and inform customers when the next bus or train will arrive. Agencies make this information available via the Web or Smartphone application, so riders can better plan trips to work, school or home.

This real-time information makes transit more convenient and encourages people to ride the bus or train, which helps takes cars off the road and reduce congestion. Yet, many transit agencies have found themselves facing litigation over providing this.

Two off-shore companies, ArrivalStar S.A. and Melvino Technologies, have sued numerous public transit agencies over patent infringement, alleging they own intellectual property rights to the concept of a system that provides early notification of when a vehicle will arrive.



ArrivalStar and Melvino Technologies are two of the more prolific PAEs, having filed more than 250 lawsuits. Those lawsuits have been filed against railroads, shipping companies, airlines, retailers, and wireless service providers.

Many of the agencies accused by ArrivalStar and Melvino Technologies opt to quickly settle, agreeing to purchase licenses for fees reportedly ranging from $30,000 to $100,000.

Metra, a Northeast Illinois rail commuter agency, reluctantly agreed to settle for $50,000 after weighing the costs of litigation. Another transit agency, King County Metro Transit in Seattle, signed an agreement that cost $80,000. Transit officials argue the claims are frivolous and unjustified, but they can't ignore the risk of legal and discovery fees that could top $1 million-$2 million if they fight the claims in court. Many agencies faced these lawsuits after having to cut bus or rail service during the recession and still face tight budgets.

In a 2010 lawsuit involving ArrivalStar, lawyers defending the Massachusetts Bay Transportation Authority accused the companies of a "shakedown," and called their tactics inimical to the fundamental purpose of U.S. patent laws.

Transit agencies sued included Monterey-Salinas Transit in California; the Northeastern Illinois Regional Commuter Railroad (Metra) in Chicago; the New York Metropolitan Transit Authority; Port Authority of New York and New Jersey; the Greater Cleveland Regional Transit Authority; the Maryland Transit Administration; the Massachusetts Bay Transportation Authority; the Missoula Urban Transportation District; King County Metro Transit in Seattle; the Central Puget Sound Regional Transit Authority (Sound Transit) in Seattle; the Tri-County Metropolitan Transportation District (Tri-Met) in Portland, Ore.; as well as the cities of Vacaville, Calif., and Raleigh, N.C.

Others were threatened with legal action in cities such as Dallas, Miami, Sacramento, Los Angeles, Champaign-Urbana, and Buffalo.

Transit agencies are supported with federal money, so it's possible that many of these GPS tracking systems were purchased with federal dollars. Some agencies have opened up their vehicle data to independent developers who create Smartphone applications that riders can use to plan trips and improve the transit experience.

Typically, the tracking systems have been purchased from another vendor and the transit agency is the customer, not the manufacturer or inventor. In some cases, agencies were indemnified by language in their contract with the vendor of the vehicle-tracking technology. But these lawsuits still may function as a disincentive for transit agencies to use this type of technology, and could have a potential chilling effect on developers who might fear being sued if they build Smartphone applications based on real-time transit data.

ArrivalStar, registered in Luxembourg, owns 34 U.S. patents, five Canadian patents, and has patent applications pending before the U.S. Patent and Trademark Office. Martin Kelly Jones is the founder. Jones' inventions are directed to "systems and methods that enable users to receive important vehicle and/or shipment status and arrival information through the use of common communication devices, including, among other devices, telephones, wireless communication devices, PDAS, and PCs." [2]

Melvino Technologies is registered to a post office box in the British Virgin Islands.

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[2] See ArrivalStar demand letter to Triangle Transit

Jones, described as a "South Florida-based inventor" in a recent news article[3], conceived of his invention in 1985 when he saw a young girl waiting for a school bus on a rainy morning in Atlanta, according to a copy of a demand letter sent to a transit agency. He was inspired to invent a system that would notify parents by phone when a school bus was late or close to arrival. He filed his first patent in 1993. In 2002, ArrivalStar, Inc., the predecessor to ArrivalStar S.A., was formed to develop and commercial the technology.

Jones attorney, Anthony Dowell, said in a 2012 interview that the company was successful in testing of the system but saw funding dry up during the dot-com crash at the end of the 1990s. Dowell said his client now focuses on licensing the technology. He typically looks for between $50,000 and $75,000 from public transit systems. [4]

The first lawsuit against a transit agency was filed in 2010.

U.S. Postal Service: The same companies, ArrivalStar and Melvino Technologies, sued the U.S. Postal Service in November 2011 in the U.S. Court of Federal Claims, alleging that USPS's vehicle monitoring and tracking systems are unlicensed use of technology covered by three patents. The vehicle tracking system enables USPS to notify customers via the Web of the status of package and mail deliveries. The lawsuit sought compensation of $10 million and payment of the plaintiffs' legal fees – from a financially struggling institution with deficits that have reached $16 billion. The Justice Department represented USPS. After more than a year of litigation, the two companies dropped their lawsuit in January 2013 in exchange for the Justice Department agreeing not to seek recovery of attorneys' fees.

Public utilities targeted: Even public utilities have been drawn into court over claims of patent infringement. Between 2005 and 2006, Emergis Technologies, LLC., a Canadian firm, filed 16 lawsuits alleging patent infringement against publicly-owned utilities and power companies over online bill-paying software the companies implemented for customers. Most of the utilities reached out-of-court settlements. One public utility agreed to pay $390,000 for a licensing agreement.[5]

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[3] Paul Brinkmann, "Delray Beach inventor files hundreds of patent suits nationwide." The South Florida Business Journal.

[4] Joe Mullen. "A new target for tech patent trolls: cash-strapped American cities," ArsTechnica.

[5] Sara Stefanini, "Suit over online payment technology settled," Law360.

Emergis Technologies is a company that specialized in providing third-party electronic invoicing services to other companies and owned a patent covering automated billing systems.[6] In 2005, Emergis discontinued its services and concentrated on licensing technology covered by its patent. The patent in question covered a process for the presentment and payment of bills over the Internet through a direct debit system that transfers payment from a customer's account to a direct invoice without involving a third-party intermediary.

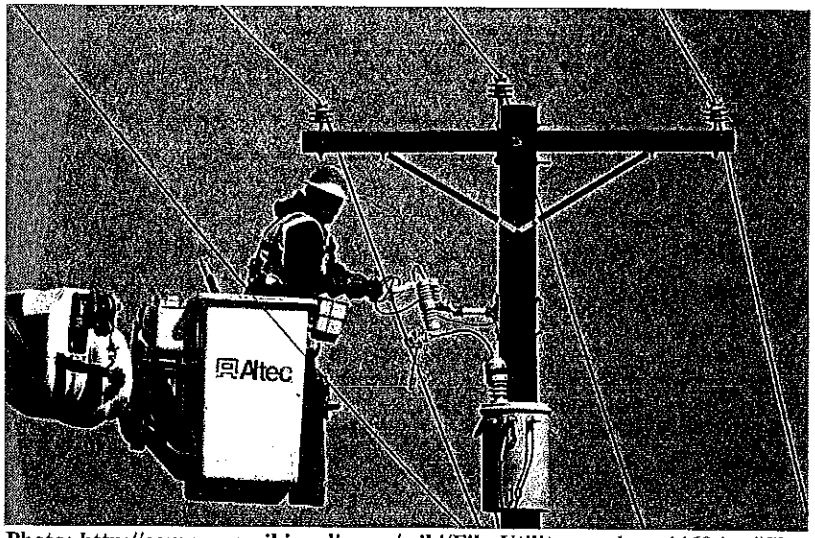

Photo: http://commons.wikimedia.org/wiki/File:Utility_worker_4460.jpg#file

Public utilities sued included the South Carolina Public Service Authority; the Sacramento Municipal Utility District; the Orlando Utilities Commission; the Walton Electric Membership Corporation and the Jackson Electric Membership Corporation, both in Georgia; the Flathead Electric Cooperative in Montana; and the middle Tennessee Electric Membership Corporation, according to U.S. District Court records.

Smaller utilities – some with only 5,000-6,000 customers -- received demand letters and opted to settle by paying the requested sum because they did not have the financial resources for a protracted court battle, according to the American Public Power Association (APPA), which represents 2,000 community-owned utilities nationwide.

In 2006, a federal court ruled against Emergis in a lawsuit, finding that language in the company's patent did not cover electronic bill payment systems that were developed by third-party vendors. After that decision, the lawsuits filed by Emergis subsided, likely because the utilities affected had purchased their bill-pay systems from other companies and did not develop them in-house.

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[6] Griffin, Malvern U., Chang, Jason V. and Curry, Joshua. "Prowling Patent Trolls." Public Power, September-October 2006.

Patent troll demands $1000 per employee: PAEs have attempted to make a quick buck from government agencies even over the most basic of modern-day office equipment. Officials in several California counties received letters demanding licensing fees of up to $1000 per employee from DucPla, LLC., a Delaware company claiming patent rights to technology that enables the scanning of documents directly to email via a network.

DucPla, LLC., is a shell company operated by MPHJ Technology Investments, a PAE registered in Wilmington, Delaware. MPHJ operates through 40 wholly owned shell subsidiary companies that have mailed hundreds, and possibly thousands of letters, to businesses, nonprofits and county governments around the country. It is not unusual for PAEs to operate through a web of shell companies to obscure the identity of the true patent holder for licensing and litigation purposes. The subsidiaries in this case were an alphabet soup of names such as AdzPro, LLC; BarMas, LLC; JitNom, LLC; and HeaPle, LLC.

The state Attorney General's Office in Vermont sued MPHJ Technology Investments in May 2013 under the state's consumer protection laws after fielding complaints from businesses and nonprofits that received demand letters from one of the shell companies that claims to license patents for MPHJ. The lawsuit accuses MPHJ of unfair and deceptive trade practices. It is the first time the Vermont Attorney General has taken legal action against a patent troll.

The recipients in this case were likely to be unfamiliar with patent law, making them vulnerable. One recipient in Vermont was Lincoln Street, Inc., a nonprofit that receives state and federal funding to provide home care to developmentally disabled residents. Another recipient was ARIS Solutions, a nonprofit that provides administrative, financial and payroll services to other Vermont residents with disabilities. [7]

Jay Mac Rust, a Texas attorney, is the manager of MPHJ Technology. The patents referenced in the letters by MPHJ Technologies were previously owned by Project Paperless, LLC., a company registered in Alexandria, Va. Project Paperless filed three lawsuits and threatened dozens of businesses in Georgia and Virginia with legal action if they didn't agree to pay licensing fees.

Project Paperless's lawsuits were voluntarily dismissed by the patent holder before the patents were sold in 2012, without any determination of the patents' validity.

MPHJ-affiliated companies sent three letters to recipients in Vermont that were "false, deceptive, and likely to mislead the businesses that received them," according to the state's lawsuit. The letters alleged potential infringement of MPHJ Technology's patents and request the recipients

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[7] State of Vermont v. MPHJ Technology Investments LLC, 282-5-13, State of Vermont, Superior Court, Washington Unit. May 8, 2013.

either purchase licenses or answer to a questionnaire to confirm that they are not infringing. The first letter would demand the recipient "produce extensive and burdensome documentation to prove that it was not infringing." The earliest patent referenced in the letters was filed in 1998 and issued in 2001. A small fraction of businesses that received letters purchased licenses, with the average licensing fee was less than $900, according to the lawsuit.

None of the California counties, however, have been sued or agreed to settle with the shell company, according to the California State Association of Counties. For counties that use the type of software referenced in the letters, their contract with the manufacturer includes a provision to cover alleged intellectual property rights violations.

Why Public Entities are at a Disadvantage

PAEs may choose to sue customers over manufacturers of a product in question because customers may be less knowledgeable about patent law, and are more likely to opt for a cheaper "nuisance settlement" instead of an expensive court fight. And unlike patent wars between tech companies, public agencies have less likelihood of filing a countersuit. PAEs don't manufacture anything and can easily burden a public agency's legal team with copious volumes of discovery requests.

In general, PAEs prevail in only about 8 percent of cases that reach a judgment or trial, according to one study.[8] But cases rarely reach that far because patent litigation is risky and expensive, and many companies prefer to settle than spend millions in legal fees. Public agencies are vulnerable targets because they have fewer financial resources to fight back. The average patent lawsuit in which $1 million to $25 million is at stake can cost as much as $1.6 million through the discovery process and $2.8 million through trial. [9]

States and arms of the state, such as state-chartered transit agency, could argue they are immune from suit in federal court under the 11th Amendment of the U.S. Constitution. The 11th Amendment states:

> The judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by citizens of another state, or by citizens or subjects of any foreign state.

Patent law is exclusively federal law, thus patent infringement lawsuits can only be brought in federal courts. That means a state cannot be sued for patent infringement unless it waives its

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[8] John R. Allison, Mark A. Lemley & Joshua Walker, *Patent Quality and Settlement Among Repeat Patent Litigants*, 99 Geo. L.J. 677, 694 (2011).

[9] American Intellectual Property Law Association, 2011 Report of the Economic Survey (2012).

immunity. Congress attempted to repeal that immunity in 1992, but the U.S. Supreme Court held the act was unconstitutional. The Supreme Court has ruled that 11th Amendment protection extends to government agencies that are arms of the state.

But the argument isn't necessarily a guarantee. And as some agencies discover, even hiring counsel to prepare and file a motion for summary judgment can still be more expensive than paying what the PAE demands. Patent trolls often leverage the prospective cost of waging a legal defense to "make the decision to settle an obvious one." [10] PAEs have less to lose, even if a patent is invalidated or narrowly construed by a court. A judgment against a PAE may not be enough to deter them because "the value of a PAE's patents depends upon its demands being backed by a credible threat of litigation. Additionally, by the time a validity judgment comes down, the PAE will often have already extracted royalties from other defendants, and these licensing and settlement agreements are often one-time, non-refundable deals." [11]

Proposals for Patent System Reform

Experts disagree on whether PAEs are harmful to the patent system. Some point out that by using economies of scale and contingent fee lawyers, PAEs have made it easier for small inventors to enforce patent rights against larger companies.[12] Their strongest supporters include "universities and other non-practicing entities that benefit from having PAEs as buyers for their patents and are not as vulnerable to lawsuits because they ordinarily do not make or sell anything that could be infringing." [13]

Numerous experts suggest that PAEs do have beneficial effects, but those benefits under current law are significantly outweighed by the costs. As the Congressional Research Service notes, the question is the "extent of the imbalance between costs and benefits and whether Congress should attempt to rebalance any disparity."

Below are some proposals that could serve to better protect public entities such as transit agencies and utilities against illegitimate claims of patent infringement.

Protect "downstream users": House Judiciary chairman Bob Goodlatte unveiled a "discussion draft" of patent legislation in May that would allow manufacturers of a product to intervene in patent disputes and stay cases against customers and retailers of a product. Many of the public entities in this report were sued over software they purchased from another vendor and were

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[10] Yeh, supra note 1.

[11] Yeh, supra note 1, 10.

[12] Colleen Chien. Testimony to House Judiciary subcommittee on Courts, Intellectual Property and the Internet. April 16, 2013.

[13] Yeh, supra note 1,10, 11 .

using it as intended. In some cases, these agencies had contracts with strong indemnification language. Others did not. The Obama administration has called for legislation that would stay proceedings against consumers when an infringement suit also has been filed against a vendor, and has directed the Patent and Trademark Office to publish new outreach materials aimed at educating consumers about patent law.

As Colleen Chien, a patent expert and professor at Santa Clara University School of Law, testified on the topic during a House Judiciary subcommittee on Courts, Intellectual Property and the Internet hearing on abusive patent litigation:

"In particular when the invention is embodied in a staple article or commodity of commerce that the end users use in the intended form, the end user lacks specific knowledge of the patent, and when there is jurisdiction and a cause of action available over a supplier who has been noticed. An outright immunity, or limiting remedies to injunctions, or damages to the cost of product acquisition, would go far in reducing the *in terrorem* impact of patent demands on the most vulnerable targets, like municipalities, non-profits, and small businesses who have no idea what their exposure might be.[14]"

Fee-shifting: Another proposal is to permit district courts more leeway to award legal fees to prevailing parties. Current law provides a court with the power to award reasonable attorney's fees to the prevailing party in exceptional cases. Another proposal that would raise the stakes for PAEs is the bipartisan SHIELD Act (Saving High-Tech Innovators from Egregious Legal Disputes), introduced by Rep. Peter DeFazio, D-OR. The bill would set up a legal process to sift out trolls early on in the lawsuit and require they post a bond that would cover the defendant's legal costs should they lose.

Increase transparency: Patentees should be mandated to disclose the "Real Party-in-Interest." The Goodlatte discussion draft includes a provision that would require companies that send more than 20 or more demand letters within one year to submit information to the Patent and Trademark Office showing the true owner of the patent and identity of the company that has rights to license it.

Federal intervention: Permit the Justice Department could intervene of state or local entities in patent cases when federal funding is at stake, such as vehicle-tracking systems purchased with federal money. This proposal would bring to bear larger resources and attention to the issue and afford smaller government litigants the benefit of federal legal advice and the potential to argue novel legal claims.

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[14] Chien, supra, note 12.

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Yeh, Brian T. "An Overview of the Patent Troll Debate." Congressional Research Service, April 16, 2013.

Appendix A

Demand letter from ArrivalStar S.A. and Melvino Technologies to Triangle Transit

DOWELL
BAKER

ANTHONY E. DOWELL *

GEOFFREY A. BAKER **

GEOFFREY D. SMITH

BRIAN P. LYNCH
REGISTERED PATENT AGENT

VIA FEDERAL EXPRESS

March 29, 2012

Mr. Wib Gulley
Triangle Transit
4600 Emperor Blvd. Suite 100
Durham, NC 27703

Re: Arrival Star S.A. and Melvino Technologies Limited
Licensing Proposal for U.S. Patent No. 6,714,859
Our File No. DB385

FOR SETTLEMENT PURPOSES ONLY
PURSUANT TO FRE 408

Mr. Gulley:

We represent inventor Martin Kelly Jones, ArrivalStar S.A. and Melvino Technologies Limited (collectively "ArrivalStar") in the licensing and enforcement of ArrivalStar's United States Patent No. 6,714,859 ("the '859 patent") and thirty-three additional related U.S. patents, five Canadian patents, and any patents that issue in the future from ArrivalStar's several pending U.S. patent applications and their foreign counterparts (collectively "the ArrivalStar Patents"). Generally, the ArrivalStar Patents are directed to arrival and status messaging systems and methods for the transportation, transportation logistics, cargo shipment, package delivery, package tracking and related industries. Please find enclosed a copy of the '859 patent for your reference.

Triangle Transit's Real-Time Bus Route tracking and notification system infringes claims of the '859 patent and likely other patents in the ArrivalStar portfolio. I am writing in the hopes of amicably resolving this issue and to offer Triangle Transit a license to continue practicing the inventions claimed in the ArrivalStar Patents under highly favorable terms.

ArrivalStar has actively pursued the licensing of its arrival notification technology in the transportation, transportation logistics, cargo shipment, package delivery and package tracking industries since mid-2005. Since that time, ArrivalStar has licensed its technology to over 180 companies. Although many of these licenses were granted in settlement of patent infringement

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actions filed by ArrivalStar, many resulted from amicable business negotiations. Once you and your attorneys are acquainted with the claims of the '859 patent, we hope that Triangle Transit will work with us to reach an amicable resolution of this matter.

BACKGROUND

Martin Kelly Jones, the founder of ArrivalStar, is the inventor of the methods and systems claimed in the '859 patent and other ArrivalStar Patents, which cover a multitude of open architecture arrival and status messaging systems and methods. Generally, Mr. Jones' inventions are directed to systems and methods that enable users to receive important vehicle and/or shipment status and arrival information through the use of common communication devices, including, among other devices, telephones, wireless communication devices, PDAs, and PCs. By keeping users more informed about status and arrival information, Mr. Jones' inventions have significantly reduced the downtime traditionally experienced by millions of people everyday waiting on the arrival of transportation, cargo and package delivery vehicles.

Mr. Jones conceived his inventions in 1985 when he observed a young girl waiting at a school bus stop on a rainy, foggy Atlanta morning. From that moment, Mr. Jones undertook to develop an advanced arrival notification system that would, in addition to myriad other applications, ensure the safety of school children by minimizing their wait time at bus stops.

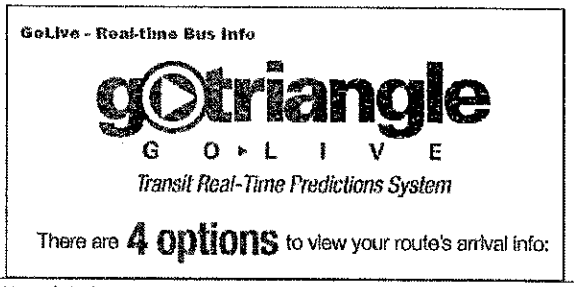
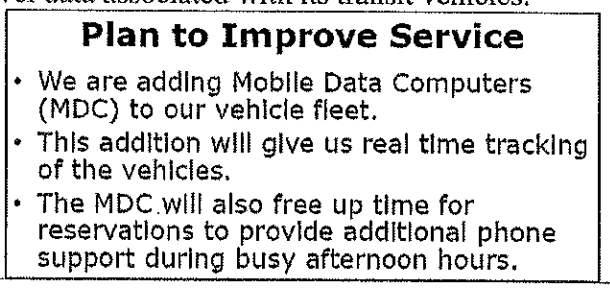
From 1986 until 1992, Mr. Jones continued to research and identify the many potential uses for his technology. In 1992, Mr. Jones formed Global Research Systems, Inc. to continue his research and development and, eventually, to commercialize his technology. In 1993, Mr. Jones filed his first patent application. Since then, thirty-two patents have issued on Mr. Jones' technology, and it has been successfully tested and deployed in several markets. In 2002, ArrivalStar, Inc., the predecessor of ArrivalStar S.A., was formed to continue to develop and commercialize the ArrivalStar technology.

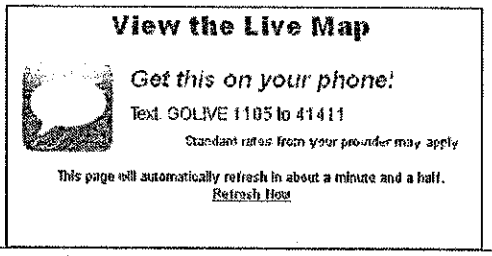
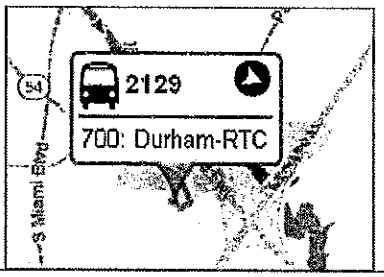
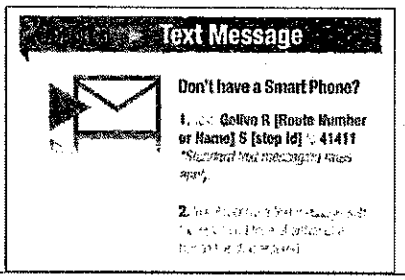
Because the ArrivalStar technology significantly reduces waiting time and dramatically increases efficiency, it has application in the over-the-road, air, rail and oceangoing transportation markets, as well as the cargo, package delivery and package delivery notification markets.

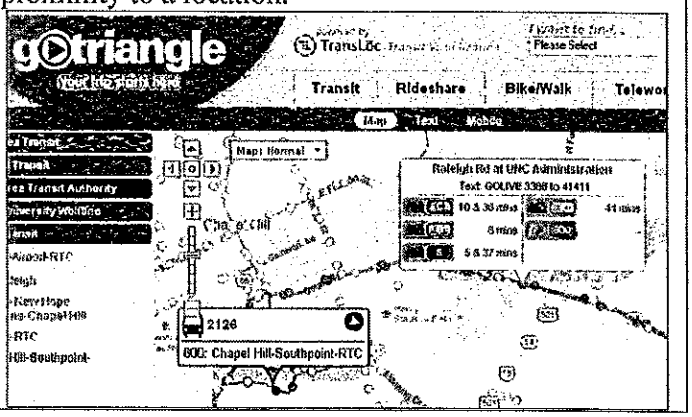
THE SYSTEMS AND METHODS AT ISSUE

After careful review, ArrivalStar has determined that Triangle Transit's Real-Time Bus Route tracking and notification system infringes claims of the '859 patent, as well as several others of the ArrivalStar Patents. We generally direct your attention to claims 1, 3, 5, and 8 of the '859 patent.

Our analysis indicates that Triangle Transit's infringement is not merely incidental. Triangle Transit's Real-Time Bus Route system implements core features of ArrivalStar's patented technology. The system monitors travel data associated with Triangle Transit's transit vehicles. The system allows users to contact the Real-Time Bus Route system via an SMS text message to request travel information relating to the transit vehicles being monitored by the system. The system then sends an SMS text message to the user's mobile device with the expected arrival time for a transit vehicle in route to a particular location. Please see claims 1, 3, 5, and 8 of the '859 patent.

<table>
<tr><th colspan="2">U.S. Patent No. 6,714,859</th></tr>
<tr><th>Claim 1</th><th>Triangle Transit's Real-Time Bus Route System</th></tr>
<tr><td>A system for monitoring vehicle travel and for reporting vehicle status information, comprising:</td><td>The Real-Time Bus Route system monitors public transportation vehicles and reports vehicle status information.
 
</td></tr>
<tr><td>a storage mechanism configured to store travel data transmitted from communications devices associated with vehicles being monitored by said system;</td><td>The Real-Time Bus Route system receives and stores travel data associated with its transit vehicles.
 
</td></tr>
</table>

a data manager configured to receive a request transmitted by a user,	The Real-Time Bus Route system receives requests from users via mobile phones that indicate a route and stop. 
said request including information sufficient for identifying one of said vehicles,	The request from the user is sufficient to identify a vehicle, such as the next arrival at a particular stop location. 
said data manager further configured to retrieve travel data associated with said one vehicle from said storage mechanism in response to said request; and	In response to the user's request, the Real-Time Bus Route system retrieves travel data associated with the transit vehicle in response to the request.
a first communications device configured to transmit a message to a second communications device,	The Real-Time Bus Route system includes computer servers configured to transmit notifications to a user's mobile phone. 

said second communications device located remotely from said first communications device and associated with said user,	The user's mobile phone is associated with the user.
said message based on said travel data retrieved by said data manager and indicative of a proximity of said one vehicle from a particular location.	The messages from the Real-Time Bus Route system are based on data received regarding transit vehicles and are indicative of the vehicle's estimated time of arrival at a location. GOLIVE-1496 Ble Rdge Rd at Wstchse Blvd Stp Cde: 1496 Triangle Transit arrvl estmts are in preview. Upcoming arrvls Rt: 100 (Triangle Transit) f)avorite b)ack n)ext
Claim 8	**Triangle Transit's Real-Time Bus Route System**
The system of claim 1, further comprising a mapping system configured to produce mapping data based on said travel data retrieved by said data manager, said mapping data defining a graphical map, said graphical map indicating said proximity of said one vehicle.	The Real-Time Bus Route system is configured to produce a graphical map that indicates a vehicle's proximity to a location. 

ARRIVALSTAR'S LICENSING PROGRAM

As noted above, ArrivalStar has licensed its arrival notification technology to over 180 companies in the transportation, transportation logistics, cargo shipment, package delivery and related industries, including the following:

Affiliated Computer Services, Inc.
BMG Controls, Inc.
Cadec Global, Inc.
Chapman Command Center, Inc.
Chrysler Group, LLC
Clever Devices
Comtech Telecommunications Corp.
Conducive Technology Corp.
Cross Country Automotive Service
DHL Express (USA), Inc.
Discrete Wireless, Inc.
Dynamex, Inc.
EMS Technologies, Inc.
FedEx Corp.
Ford Motor Company
GE Asset Intelligence, LLC
GPS Insight
Insight Network Logistics, LLC
Intergis, LLC
Lat-Lon, LLC
Mentor Engineering, Inc.
Network Fleet, Inc.
NextBus, Inc.
Nissan North America, Inc.
Numerex Corporation
OmniLink Systems, Inc.
On-Board Communications, Inc.
Par3 Communications
PeopleNet Communications Corp.
PROCON, Inc.
Prophesy Transportation Solutions
Qualcomm, Inc.
SageQuest, LLC
SkyBitz, Inc.
Synovia, Inc.
TeleNav, Inc.
Teletrac, Inc.
Telogis, Inc.
TMW Systems, Inc.
TomTom International BV
Trimble Navigation, Ltd.
United Air Lines
Volvo Group North America, LLC
WaveMarket, Inc.
Webtech Wireless Inc.
Wireless Matrix USA, Inc.
Xata, Inc.
Xora, Inc.
ZTR Control Systems, LLC

DOWELL
BAKER

FOR SETTLEMENT PURPOSES ONLY
PURSUANT TO FRE 408

ARRIVALSTAR'S PROPOSED LICENSE

ArrivalStar has had considerable success enforcing its patent rights through both licensing and litigation. Although litigation can result in an enormous recovery after trial, the process generally proves to be costly and time consuming for both parties. Because of these considerations, ArrivalStar proposes that the most reasonable course of action would be for the parties to amicably and promptly resolve all issues through a suitable licensing arrangement.

To that end, and to encourage the continued use of ArrivalStar's patented technology, ArrivalStar proposes a license fee of $150,000 in exchange for a paid up worldwide license for all of ArrivalStar's thirty-four United States patents, five Canadian patents and all future patents that claim priority to these patents. This proposed license fee, of course, is subject to discussion.

Please contact me, or have your attorney contact me, by April 30, 2012. If I do not hear from you by that date, I will assume that Triangle Transit is not interested in an amicable resolution of this matter and we will proceed accordingly. Thank you for your consideration of our licensing proposal and I look forward to working with you.

Sincerely,

Anthony Dowell/BPL

Anthony Dowell

cc: Mr. Martin Kelly Jones

Appendix B

Settlement agreement, ArrivalStar S.A./Melvino Technologies and Metra

SETTLEMENT, RELEASE AND LICENSE AGREEMENT

This Settlement, Release and License Agreement ("Agreement") is entered into between Melvino Technologies Limited, a corporation organized under the laws of British Virgin Islands of Tortola and having a place of business at P.O. Box 3174, Palm Chambers, 197 Main Street, Road Town, Tortola, British Virgin Islands ("Melvino") and ArrivalStar S.A., a corporation organized under the laws of Luxembourg and having offices at 127 rue du Mühlenbach, L-2168, Luxembourg ("ArrivalStar"), on the one hand (together sometimes referred to as the "Patent Holders"), and Northeast Illinois Regional Commuter Railroad Corporation, Commuter Rail Division of the Regional Transportation Authority, Regional Transportation Authority, Union Pacific Railroad Company, and BNSF Railway Company, d/b/a jointly as "Metra" (referred to as "Licensee") (all collectively referred to herein as the "Parties.")

WHEREAS, Melvino owns all right, title and interest in, and/or has the right to license, the patents identified in Schedule A attached hereto, including any continuations, continuations-in-part, divisionals, re-issues or re-examinations of such patents, including any counterparts thereof in any country of the world in which there are counterparts of the foregoing U.S. patents (collectively, the "ArrivalStar Patents"), and ArrivalStar is the exclusive licensee of the ArrivalStar Patents, with the right to sub-license all ArrivalStar Patents.

WHEREAS, Patent Holders assert that certain products and/or services made, used, sold and/or offered for sale by Licensee infringe certain claims of the ArrivalStar Patents;

WHEREAS, Patent Holders have filed a lawsuit asserting the infringement referenced above in the United States District Court for the Northern District of Illinois, entitled "ArrivalStar S.A. and Melvino Technologies Limited vs. Northeast Illinois Regional Commuter Railroad Corporation," bearing Case No. 11-cv-1502 (the "Lawsuit").

WHEREAS, Licensee denies all such claims of infringement and the validity of the ArrivalStar Patents, and denies all allegations in the Lawsuit, but in order to avoid the cost of litigation nonetheless wishes to obtain a license and release for any and all past, present, and future actions with respect to the ArrivalStar Patents, and the Patent Holders are willing to grant such a license and release under the terms hereof;

NOW, THEREFORE, in accordance with the foregoing recitals, and in consideration of the mutual covenants contained herein, the Patent Holders and Licensee agree as follows:

1. "ArrivalStar Patents" means the entire patent portfolio of Patent Holders including but not limited to the patents identified in Schedule A attached hereto, including any continuations, continuations-in-part, divisionals, re-issues, re-examinations, renewals, extensions, and parents of such patents, and including any

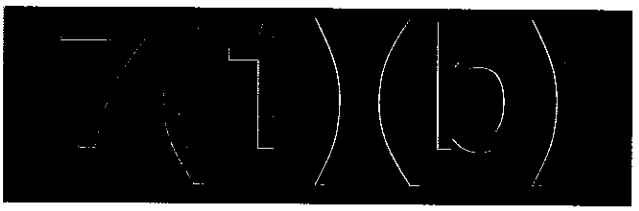
counterparts thereof in any country of the world in which there are counterparts of the foregoing U.S. patents, and also including without limitation, any and all current or future worldwide patents and patent applications and all corresponding foreign patents and patent applications and any continuations, continuations-in-part, divisionals, re-issues, re-examinations, renewal, extensions, or parent thereof that are directed to information systems or methods, or communications systems, or methods, for the transportation, logistics, shipping, warehousing, cargo, and/or parcel delivery industries that are owned by (now or hereinafter) or exclusively licensed to (now or hereinafter) Melvino, ArrivalStar, their subsidiaries, Affiliates or principals, assigns and successors.

2. "Affiliates" as used herein means, with respect to each party, any person, corporation, partnership, trust, or other entity, existing or which has yet to exist, that, directly or indirectly, legally or beneficially, owns, is/will be owned by, or is/will be under common ownership with the party or the party's ultimate parent. For purposes of the foregoing, "own", "owned", or "ownership" means holding ownership of, or the right to vote, fifty percent (50%) or more of the voting stock or ownership interest entitled to elect a board of directors or a comparable managing authority.

3. Patent Holders warrant and represent that (a) except as stated below with respect to WNS Holdings LLC, they exclusively own the entire right, title, and interest in, and have the exclusive and entire right to enforce and license, the United States ArrivalStar Patents identified in Schedule A; (b) they have the right to license the Worldwide Patents identified in Schedule A; (c) they have the right to enter into this Agreement; (d) there are no liens, conveyances, mortgages, assignments, encumbrances or other agreements to which Patent Holders are a party or by which they are bound, which would prevent or impair the full exercise of all substantive rights granted to Licensee, its subsidiaries, and its Affiliates by Patent Holders pursuant to the terms of the Agreement; and (e) they have not assigned or transferred to any other person or entity any of their claims, demands or causes of action settled and released herein. Patent Holders warrant that no other entity or individual including but not limited to ArrivalStar Jersey Ltd., Noticom International, LLC, LaBarge, Inc., WNS Holdings, LLC, Global Research Systems, Inc. and the inventors holds any right, title or interest in or to any of the patents identified in Schedule A or to any corresponding foreign patents and patent applications or any continuations, continuations-in-part, divisionals, re-issues, re-examinations, renewals, extensions, or parents thereof, except that Patent Holders represent that WNS Holdings LLC holds an interest in two of the patents identified in Schedule A with an asterisk (*). Patent Holders represent that said interest of WNS Holdings LLC does not preclude Patent Holders from licensing the subject patents to Licensee, its subsidiaries and its Affiliates or otherwise from entering into this Agreement and granting the warranties, releases, licenses and covenants included herein, and hereby agree to defend and indemnify Licensee of and from all claims that might be made by WNS Holdings LLC.

4. The terms, provisions and payments set forth in this agreement are not and shall not be construed as an admission by Licensee of the infringement, validity, or enforceability of the ArrivalStar Patents.

5. In full settlement and release of any and all claims asserted by, or which could have been asserted by, Patent Holders against Licensee in connection with the ArrivalStar Patents in the Lawsuit or otherwise, and in full consideration of the license, releases, and covenants in this Agreement, Licensee shall pay the sum of US $50,000.00 ("the Settlement Amount"), to Patent Holders and their attorneys, Dowell Baker, P.C., to the following client trust account:



The parties agree that upon execution of this Agreement, the Lawsuit will be dismissed, with prejudice and without costs promptly upon receipt of the settlement payment.

6. Patent Holders grant to Licensee, its subsidiaries, and Affiliates, a fully paid-up, worldwide, irrevocable, non-exclusive, non-transferable (except as set forth below) right and royalty-free license to the ArrivalStar Patents in connection with any product, service, or systems provided or developed by or for Licensee, either now existing or later developed. Such license shall be deemed to extend to and include an immunity from suit against all past, present and future customers, suppliers, sublicensees, consultants and users of any product, service, or system provided by or for Licensee but solely with respect to such product, service, or system of Licensee. Patent Holders shall not enter into any agreement or take any action which would interfere with the release, covenants not to sue and license grants in this Agreement.

7. Patent Holders do hereby release, forever discharge, and covenant not to sue Licensee, its officers, employees, Affiliates, customers, and users of any product, service, or systems provided or developed by or for Licensee, either now existing or later developed, from any and all claims, actions, causes of action, suits, damages, injuries, duties, rights, obligations, liabilities, adjustments, responsibilities, judgments, trespasses, and demands, whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected to exist, now existing or later acquired, which were made or could have been made or may be made in the future by Patent Holders relating to the ArrivalStar Patents. This release is not intended and shall not be construed to affect Patent Holders' claims (including claims for patent infringement) against any other current or future alleged infringer of the ArrivalStar Patents.

8. The releases and license set forth above are assignable and transferable by Licensee only to the extent that it is used in the business of a Licensee, Affiliate, or successor in interest, and not for the purposes of sublicensing to the marketplace.

9. This Agreement shall be binding upon Melvino, ArrivalStar, their successors, principals and assigns as well as any future successor owner of the ArrivalStar Patents.

10. Each Party hereto warrants and represents to the others that (a) its execution of this Agreement has been duly authorized by all necessary corporate action of such Party; and (b) it has requisite legal rights necessary to grant the other Party all releases, covenants not to sue as set forth above.

11. The Parties agree that the terms of this Agreement will be treated as confidential and maintained in confidence and will not be disclosed to any other person or entity except as may be required by law or pursuant to a protective order entered by a Court or tribunal. Licensee may represent that it is licensed under the ArrivalStar Patents without violating this confidentiality provision.

12. This Agreement will become binding and effective upon the exchange of facsimile or email copies of the required signatures.

WHEREFORE, the Parties hereby acknowledge their agreement and consent to the terms and conditions set forth above through their respective signatures as contained below and each Party represents and warrants that the representatives signing below have the authority to legally bind such Party:

MELVINO TECHNOLOGIES LIMITED

Dated: 02.08.2011

Its: MIAGMA ADVISORS LIMITED

Metra – for all Licensees

Dated: _____

Its: _____

ARRIVALSTAR S.A.

Dated: 02/08/11

Its: 02.08.2011

9. This Agreement shall be binding upon Melvino, ArrivalStar, their successors, principals and assigns as well as any future successor owner of the ArrivalStar Patents.

10. Each Party hereto warrants and represents to the others that (a) its execution of this Agreement has been duly authorized by all necessary corporate action of such Party; and (b) it has requisite legal rights necessary to grant the other Party all releases, covenants not to sue as set forth above.

11. The Parties agree that the terms of this Agreement will be treated as confidential and maintained in confidence and will not be disclosed to any other person or entity except as may be required by law or pursuant to a protective order entered by a Court or tribunal. Licensee may represent that it is licensed under the ArrivalStar Patents without violating this confidentiality provision.

12. This Agreement will become binding and effective upon the exchange of facsimile or email copies of the required signatures.

WHEREFORE, the Parties hereby acknowledge their agreement and consent to the terms and conditions set forth above through their respective signatures as contained below and each Party represents and warrants that the representatives signing below have the authority to legally bind such Party:

MELVINO TECHNOLOGIES LIMITED

_____

Dated:_____

Its:_____

Metra – for all Licensees

Theresa A. Barnett

Dated: 7/29/11

Its: Acting General Counsel

ARRIVALSTAR S.A.

_____

Dated:_____

Its:_____

Schedule A

United States Patents

1. 5,400,020
2. 5,444,444*
3. 5,623,260
4. 5,648,770*
5. 5,657,010
6. 5,668,543
7. 6,278,936
8. 6,313,760
9. 6,317,060
10. 6,363,254
11. 6,363,323
12. 6,411,891
13. 6,415,207
14. 6,486,801
15. 6,492,912
16. 6,510,383
17. 6,618,668
18. 6,683,542
19. 6,700,507
20. 6,714,859
21. 6,741,927
22. 6,748,318
23. 6,748,320
24. 6,763,299
25. 6,763,300
26. 6,804,606
27. 6,859,722
28. 6,904,359
29. 6,952,645
30. 6,975,998
31. 7,030,781
32. 7,089,107
33. 7,191,058
34. 7,400,970

Worldwide Patents

AT 257265
AT 273547
AU 2608700
AU 3393300
AU 3998401
AU 6284999
AU 6404799
AU 6453598
AU 7391696
BR 0007537
BR 0008670
BR 9808005
CA 2267206
CA 2283239
CA 2360288
CA 2363556
CA 2521206
CA 2528647
CN 1345413
DE 60104824
DE 69631255
EP 0929885
EP 0966720
EP 1261902
EP 1264296
MXPA01008914
WO 9814926
WO 0019171
WO 0019170

Appendix C

Settlement agreement, ArrivalStar S.A./Melvino Technologies and King County Metro Transit

SETTLEMENT, RELEASE AND LICENSE AGREEMENT

This Settlement, Release and License Agreement ("Agreement") is entered into this 20th day of October, 2011 ("Effective Date") between Melvino Technologies Limited, a corporation organized under the laws of the British Virgin Islands of Tortola ("Melvino") and ArrivalStar S.A., a corporation organized under the laws of Luxembourg and having offices at 127 rue du Mühlenbach, L-2168, Luxembourg ("ArrivalStar"), on the one hand (together sometimes referred to as the "Patent Holders"), and King County, Washington, a home rule charter county and a political subdivision of the State of Washington, and its officers, employees, agents, contractors and subcontractors (referred to as "Licensee") (all collectively referred to herein as the "Parties").

WHEREAS, Melvino owns all necessary rights, title and interests in and to the patents identified in Schedule A attached hereto, including any continuations, continuations-in-part, divisionals, re-issues or re-examinations of such patents, and including any counterparts thereof in any country of the world in which there are counterparts of the foregoing U.S. patents, and ArrivalStar is the authorized licensee of the ArrivalStar Patents, with the right to sub-license the ArrivalStar Patents;

WHEREAS, Patent Holders assert that certain products and/or services made, used, sold and/or offered for sale by Licensee infringe certain claims of the ArrivalStar Patents, and has filed suit against Licensee for patent infringement in an action styled *ArrivalStar S.A and Melvino Technologies Limited v. King County.*, U.S.D.C., W.D. Wash., C.A. No. 11-cv-0461-MJP (the "Lawsuit");

WHEREAS, Licensee denies all such claims of infringement, but nonetheless wishes to obtain a license and release for any and all past, present, and future actions with respect to the ArrivalStar Patents, and the Patent Holders are willing to grant such a license and release under the terms hereof;

NOW, THEREFORE, in accordance with the foregoing recitals, and in consideration of the mutual covenants contained herein, the Patent Holders and Licensee agree as follows:

1. "ArrivalStar Patents" means the entire patent portfolio of Patent Holders, and all patents on which Martin Kelly Jones is identified as the inventor which relate to the subject matter in Schedule A; including, but not limited to, the patents identified in Schedule A attached hereto, and any continuations, continuations-in-part, divisionals, re-issues, reexaminations, renewals, extensions, and parents of such patents, and including any counterparts thereof in any country of the world in which there are counterparts of the foregoing U.S. patents, and also including without limitation, any and all current or future worldwide patents and patent applications (including provisional and non-provisional applications) and all corresponding foreign patents and patent applications (including provisional and non-provisional applications) and any continuations, continuations-in-part, divisionals, re-issues, re examinations, renewals, extensions, or parents thereof that relate to the subject matter of the patents in Schedule A owned by (now or hereinafter) or licensed to (now or hereinafter) Melvino, ArrivalStar, Martin Kelly Jones, their subsidiaries, Affiliates, assigns and successors.

2. "Affiliates" as used herein means, with respect to each Party, any person, corporation, partnership, trust, or other entity, existing or which has yet to exist, that, directly or indirectly, legally or beneficially, owns, is/will be owned by, or is/will be under common ownership with the Party or the Party's ultimate parent. For purposes of the foregoing, "own", "owned", or "ownership" means holding ownership of, or the right to vote, fifty percent (50%) or more of the voting stock or ownership interest entitled to elect a board of directors or a comparable managing authority.

3. Patent Holders warrant and represent that (a) except as stated below with respect to WNS Holdings LLC, they exclusively own the entire right, title, and interest in, and have the exclusive and entire right to enforce and license, the United States ArrivalStar Patents identified in Schedule A; (b) they have the right to license the Worldwide Patents identified in Schedule A; (c) they have the right to enter into this Agreement; (d) there are no liens, conveyances, mortgages, assignments, encumbrances or other agreements to which Patent Holders are a party or by which they are bound, which would prevent or impair the full exercise of all substantive rights granted to Licensee, its subsidiaries, and its Affiliates by Patent Holders pursuant to the terms of the Agreement; (e) they have not assigned or transferred to any other person or entity any of their claims, demands or causes of action settled and released herein, and will not grant or assign any rights under the Arrival Star Patents unless such grant or assignment is made subject to all rights set forth in paragraphs 7 and 8 of this Agreement; and (f) that Melvino Technologies Inc. does not own any rights, title to or interest in the Arrival Star Patents. Patent Holders warrant that no other entity or individual including but not limited to ArrivalStar Jersey Ltd., Noticom International, LLC, LaBarge, Inc., WNS Holdings, LLC, Global Research Systems, Inc. and the inventors holds any right, title or interest in or to any of the patents identified in Schedule A or to any corresponding foreign patents and patent applications or any continuations, continuations-in-part, divisionals, re-issues, re-examinations, renewals, extensions, or parents thereof, except that Patent Holders represent that WNS Holdings LLC holds an interest in two of the patents identified in Schedule A with an asterisk (*). Patent Holders represent that said interest of WNS Holdings LLC does not preclude Patent Holders from licensing the subject patents to Licensee, its subsidiaries and its Affiliates or otherwise from entering into this Agreement and granting the warranties, releases, licenses and covenants included herein. Patent Holders agree to defend, indemnify and hold harmless Licensee, its subsidiaries and Affiliates from and against any and all claims, demands, liabilities, settlements, damages, costs and expenses (including attorneys fees) suffered or incurred arising from or relating to any breach of Patent Holders' representations, warranties and covenants contained herein.

4. The terms, provisions and payments set forth in this Agreement are not and shall not be construed as an admission by Licensee of the infringement, validity, or enforceability of the ArrivalStar Patents. Settlement of the Lawsuit by Licensee is intended solely as a compromise of disputed claims.

5. In full settlement of all claims asserted by and/or which could have been asserted by Patent Holders against Licensee in any lawsuit or otherwise, and in full consideration of the license, releases, and covenants in this Agreement, Licensee shall pay to Melvino the total sum of $80,000 ("the Settlement Amount") within fourteen (14) days of the Effective Date, to the following client trust account:

First Merchants Bank
ABA No. 074900657
Credit to Lafayette Bank and Trust – Lafayette, Indiana
Account No. 9009108
Dowell Baker, P.C. Client Trust IOLTA Account
Account No. 9000201658

No other payments of money are required by this Agreement.

6. Within five (5) business days after the payment of consideration to the Dowell Baker, P.C. Client Trust IOLTA Account forth in paragraph 5 above, the parties shall execute through counsel (and Licensee counsel shall file) the Stipulation of Dismissal as set forth in Schedule B attached hereto in the Lawsuit dismissing with prejudice all claims, with each side bearing their own costs and attorneys' fees and with all rights of appeal waived.

7. Patent Holders grant to Licensee, its parents, subsidiaries, and Affiliates, and their collective officers, employees, agents, contractors and subcontractors a perpetual fully paid-up, worldwide, irrevocable, non-exclusive, non-transferable (except as set forth in Paragraph 8 below) right and royalty-free license to the ArrivalStar Patents in connection with any products, service, systems, reports, and data of any sort (including vehicle status reports and data), either previously existing, now existing or later developed (collectively, "Products"), including but not limited to the right to make, have made, transmit, use, have used, purchase, have purchased, sell, have sold, offer for sale, have offered for sale, lease, have leased, export, have exported, import or have imported any and all such Products. Such license shall be deemed to extend to and include immunity from suit for all past, present and future manufacturers, suppliers, distributors, resellers, customers and users of any such Product provided by or for Licensee and/or its parents, subsidiaries, and Affiliates solely with respect to such Products. The licenses set forth in this paragraph shall be construed to run until the expiration of the last-to-expire ArrivalStar Patent. Patent Holders shall not enter into any agreement or take any action which would interfere with the releases, covenants not to sue and license grants in this Agreement.

8. Patent Holders do hereby release, forever discharge, and covenant not to sue Licensee, its parents, subsidiaries, and Affiliates and their collective officers, employees, agents, contractors and subcontractors from any and all claims (including claims for attorneys' fees and costs), actions, causes of action, suits, damages, injuries, duties, rights, obligations, liabilities, adjustments, responsibilities, judgments, trespasses, and demands, whatsoever, in law or in equity, whether known or unknown, suspected or unsuspected to exist, now existing or later acquired, which were made or could have been made or may be made in the future by Patent Holders (collectively, the "Claims"). Patent Holders additionally hereby release, forever discharge, and covenant not to sue past, present and future manufacturers, suppliers, distributors, resellers, customers and users of any Products provided by or for Licensee and/or its parents, subsidiaries, and Affiliates from all Claims, but solely with respect to such Products. Subject to the immunity provided herein and in paragraph 7, this release is not intended and shall not be construed to affect Patent Holders' claims (including claims for patent infringement) against any other current or future alleged infringer of the ArrivalStar Patents.

9. The releases and licenses set forth above are assignable and transferable by Licensee only in the case of a merger or sale of all or substantially all of its assets or stock, in the case of an acquisition of Licensee or to a subsidiary or a present or future Affiliate of Licensee.

10. This Agreement shall be binding upon Melvino, ArrivalStar, their successors and assigns, as well as any other present or future successor or owner(s) of the ArrivalStar Patents.

11. Each Party hereto warrants and represents to the others that (a) its execution of this Agreement has been duly authorized by all necessary corporate action of such Party; and (b) it has requisite legal rights necessary to grant the other Party all releases and covenants not to sue as set forth above.

12. This Agreement will become binding and effective upon the exchange of facsimile or email copies of the required signatures. It may be executed in counterparts. This Agreement and all disputes relating in any way to this Agreement shall be governed by the laws of the State of Washington. Any and all claims, lawsuits, or disputes of any kind between the Parties shall be resolved in federal or state courts in the State of Washington.

13. If any provision of this Agreement shall be determined to be invalid, unlawful, void or unenforceable to any extent, such provision shall be substituted with a provision that achieves the intent of the parties and the remainder of this Agreement shall not be impaired or otherwise affected and shall continue to be valid and enforceable to the fullest extent permitted by law.

14. This Agreement is the entire agreement between the Parties, and supersedes all other agreements, discussions or representations with respect to the subject matter contained herein. No modification or amendment to this Agreement, nor any waiver of rights, will be effective unless assented to in writing.

15. In any action to enforce this Agreement in whole or in part, the prevailing party shall be entitled to recover its attorneys' fees and costs.

WHEREFORE, the Parties hereby acknowledge their agreement and consent to the terms and conditions set forth above through their respective signatures as contained below and each Party represents and warrants that the representatives signing below have the authority to legally bind such Party:

MELVINO TECHNOLOGIES LIMITED

_____

Dated: _____

Its: _____

KING COUNTY

Christine Oh

Dated: 10·19·11

Its: Deputy Risk Manager

ARRIVALSTAR S.A.

_____

Dated: _____

Its: _____

SCHEDULE A

United States Patents

1. 5,400,020
2. 5,444,444*
3. 5,623,260
4. 5,648,770*
5. 5,657,010
6. 5,668,543
7. 6,278,936
8. 6,313,760
9. 6,317,060
10. 6,363,254
11. 6,363,323
12. 6,411,891
13. 6,415,207
14. 6,486,801
15. 6,492,912
16. 6,510,383
17. 6,618,668
18. 6,683,542
19. 6,700,507
20. 6,714,859
21. 6,741,927
22. 6,748,318
23. 6,748,320
24. 6,763,299
25. 6,763,300
26. 6,804,606
27. 6,859,722
28. 6,904,359
29. 6,952,645
30. 6,975,998
31. 7,030,781
32. 7,089,107
33. 7,191,058
34. 7,400,970

Worldwide Patents

AT 257265
AT 273547
AU 2608700
AU 3393300
AU 3998401
AU 6284999
AU 6404799
AU 6453598
AU 7391696
BR 0007537
BR 0008670
BR 9808005
CA 2267206
CA 2283239
CA 2360288
CA 2363556
CA 2521206
CA 2528647
CN 1345413
DE 60104824
DE 69631255
EP 0929885
EP 0966720
EP 1261902
EP 1264296
MXPA01008914
WO 9814926
WO 0019171
WO 0019170

SCHEDULE B

THE HONORABLE MARSHA J. PECHMAN

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

ARRIVALSTAR S.A. and MELVINO TECHNOLOGIES LIMITED, Plaintiffs, vs. KING COUNTY, Defendant.	No. 11-cv-0461-MJP

STIPULATION OF DISMISSAL

The Plaintiffs ArrivalStar S.A. and Melvino Technologies Limited and the defendant King County pursuant to Federal Rule 41(a)(1), hereby file this Stipulation of Dismissal dismissing this action in its entirety and all claims asserted therein WITH PREJUDICE, with each party to bear their own costs, expenses and attorneys fees, and with all rights of appeal waived.

Dated: October __, 2011

Respectfully submitted,

/s/ Geoffrey D. Smith Anthony E. Dowell aedowell@dowellbaker.com Geoffrey D. Smith gsmith@dowellbaker.com DOWELL BAKER, P.C. 201 Main St., Suite 710 Lafayette, IN 47901 Tel: 765.429.4004 Fax: 765.429.4114	By: /s/ Nicholas Papastavros Stellman Keehnel stellman.keehnel@dlapiper.com DLA PIPER LLP (US) 701 Fifth Avenue, Suite 7000 Seattle, Washington 98104 Telephone: 206.839.4800 Fax: 206.839.4801

David A. Lowe, WSBA No. 24,453 lowe@blacklaw.com BLACK LOWE & GRAHAM PLLC 701 Fifth Avenue, Suite 4800 Seattle, Washington 98104 Tel: 206.381.3300 Fax: 206.381.3301 Counsel for Plaintiffs Arrivalstar S.A. and Melvino Technologies Limited	Nicholas Papastavros (*pro hac vice*) Nick.papastavros@dlapiper.com DLA PIPER LLP (US) 33 Arch Street, 26th Floor Boston, Massachusetts 02110 Telephone: 617.406.6000 Fax: 617.406.6100 Counsel For Defendant King County

Appendix D

ArrivalStar S.A. and Melvino Technologies vs. USA, U.S. Court of Federal Claims

ORIGINAL

07384 1

IN THE UNITED STATES COURT OF FEDERAL CLAIMS

ARRIVALSTAR S.A. and MELVINO TECHNOLOGIES LIMITED, Plaintiffs, vs. THE UNITED STATES OF AMERICA Defendant.	**Case No.:** 11-784 C

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiffs ArrivalStar S.A. and Melvino Technologies Limited (collectively, "ArrivalStar" or "Plaintiffs"), by and through their undersigned attorneys, for their complaint against the United States of America ("United States" or "Defendant") allege as follows:

NATURE OF THE ACTION

1. This is a claim pursuant to 28 U.S.C. 1498(a) for the recovery of ArrivalStar's reasonable and entire compensation for the unlicensed use and infringement by the Defendant, of the invention claimed in United States Patent Numbers 6,714,859 (" '859 Patent"), 6,904,359 (" '359 Patent"), 7,400,970 (" '970 Patent") and Inter Partes Reexamination Certificate for the '359 Patent ("the '359 Reexam Certificate").

2. A true and correct copy of the '859 Patent is attached hereto as "Exhibit A." A true and correct copy of the '359 Patent is attached hereto as "Exhibit B." A true and correct copy of the '359 Reexam Certificate is attached hereto as "Exhibit C." A true and correct copy of the '970 Patent is attached hereto as "Exhibit D."

JURISDICTION

3. This Court has jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1491(a) and 1498(a) because the inventions claimed in the '859, '359, and '970 Patents and the '359 Reexam Certificate, which are owned by ArrivalStar, have been used by the Defendant without license by ArrivalStar or lawful right to use the same.

PARTIES

4. ArrivalStar S.A. is a corporation organized under the laws of Luxembourg and having offices at 67 Rue Michel, Welter L-2730, Luxembourg.

5. Melvino Technologies Limited is a corporation organized under the laws of the British Virgin Island of Tortola, having offices at P.O. Box 3152, RG Hodge Building, Road Town, Tortola, British Virgin Islands.

6. ArrivalStar S.A. and Melvino Technologies Limited have not had a combined total number of employees greater than 500 employees at any time during the 5-year period preceding the use or manufacture of the invention described in and covered by the, '859, '359, and '970 Patents and the '359 Reexam Certificate, by the United States.

7. ArrivalStar owns all right, title and interest in, and has standing to sue for infringement of the '859 Patent, entitled "System and method for an advance notification system for monitoring and reporting proximity of a vehicle," issued March 30, 2004.

8. ArrivalStar owns all right, title and interest in, and has standing to sue for infringement of the '359 Patent, entitled "Notification systems and methods with user-definable notifications based upon occurrence of events," issued June 7, 2005.

9. ArrivalStar owns all right, title and interest in, and has standing to sue for infringement of the '359 Reexam Certificate that issued on May 25, 2010.

10. ArrivalStar owns all right, title and interest in, and has standing to sue for infringement of the '970 Patent, entitled "System and method for an advance notification system for monitoring and reporting proximity of a vehicle," issued July 15, 2008.

11. The '859, '359, and '970 patents and the '359 Reexam Certificate are generally directed to arrival and status messaging systems and methods for the transportation, transportation logistics, cargo shipment, package delivery, package tracking and related industries.

12. The United States is the Defendant in this action based upon the actions and conduct of the United States Postal Service ("USPS"), an independent establishment of the executive branch of the United States. USPS's headquarters are located at 475 L'Enfant Plaza SW, Washington, DC 20260.

COUNT I: UNLICENSED USE OF THE '859, '359, AND '970 PATENTS AND THE '359 REEXAM CERTIFICATE BY THE DEFENDANT

13. ArrivalStar incorporates the above paragraphs 1 through 12 by reference as if fully set forth herein.

14. Upon information and belief, the Defendant, through USPS's use of the Track & Confirm notification system, has used the system and methods claimed by the '859, '359, and '970 patents and the '359 Reexam Certificate, without a license from ArrivalStar or lawful right to use the same.

15. Upon information and belief, the Defendant through the USPS's use of the Track & Confirm notification system, infringes the '859 Patent by using, among other things, a system that is configured to monitor vehicles and report the status of the vehicles, to receive requests from users when the user is expecting to receive a package, to identify a particular vehicle when the user enters the identification number, to retrieve data from a storage system, to allow users to log onto the system using personal computers using a web portal, and to transmit alert notifications to email addresses provided by the users.

16. Upon information and belief, the Defendant through the USPS's use of the Track & Confirm notification system, infringes the '359 Patent and the '359 Reexam Certificate by using, among other things, a system that allows users to elect to receive an alert for past events or for future events relating to the statuses of mobile vehicle carrying packages, to select the events that will cause the transmission of an alert, and to elect to receive an alert notification when a vehicle accomplishes a number of stops prior to the user's package being delivered, and by using a system that is configured to transmit alert notifications over the internet.

17. Upon information and belief, the Defendant through the USPS's use of the Track & Confirm notification system, infringes the '970 Patent by using, among other things, an online and computer based system including a website for enabling communication with users who are designated to receive packages and that requests users to enter identification numbers associated with packages for delivery, monitors travel data by scan events, and allows users to elect to receive notifications while a package is en route, when a package is delivered, or both.

18. ArrivalStar's effort to identify all of the additional unlicensed uses of the '859, '359, and '970 patents and the '359 Reexam Certificate is ongoing and will be completed after a reasonable opportunity for discovery in this case.

19. ArrivalStar's effort to more precisely quantify the extent of damages is ongoing and will be completed after a reasonable opportunity for discovery in this case.

20. ArrivalStar is entitled to reasonable and entire compensation for the Defendant's unlicensed use of the '859, '359, and '970 patents and the '359 Reexam Certificate in violation of ArrivalStar's patent rights.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs ask this Court award to ArrivalStar:

A. Reasonable and entire compensation for the unlicensed (or otherwise unlawful) use of the '859, '359, and '970 patents and the '359 Reexam Certificate by or for the Defendant, in amount believed to be not less than $10,000,000.00;

B. ArrivalStar's reasonable fees for expert witnesses and attorneys, plus its costs;

C. Pre-judgment interest (or "delay compensation") and post-judgment interest;

D. Entry of a judgment that Defendant, through USPS, used the '859, '359, and '970 patents and the '359 Reexam Certificate without license or authorization by ArrivalStar; and

E. Such other and further relief as this Court deem proper and just.

Dated: November 21, 2011

Respectfully submitted,

Francis J. Gorman
FJGorman@gandwlaw.com
Gorman & Williams
36 S. Charles Street, Suite 900
Baltimore, MD 21201
(410) 528-0600
(410) 528-0602 (fax)
ATTORNEYS FOR PLAINTIFFS ARRIVALSTAR S.A. and MELVINO TECHNOLOGIES LIMITED

Appendix E

State of Vermont v. MPHJ Technology Investments, LLC

STATE OF VERMONT
SUPERIOR COURT
WASHINGTON UNIT

STATE OF VERMONT, Plaintiff	)	CIVIL DIVISION Docket No. 382-5-13 Wncv
v.	)	
MPHJ TECHNOLOGY INVESTMENTS, LLC Defendant	)	

CONSUMER PROTECTION COMPLAINT

I. Introduction

1. The Vermont Attorney General brings this suit under the Vermont Consumer Protection Act, 9 V.S.A. §§ 2451 *et seq.* in response to consumer fraud violations by Defendant MPHJ Technology Investments, LLC. Defendant has engaged in unfair and deceptive acts by sending a series of letters to many small businesses and non-profit organizations in Vermont. The letters threaten patent litigation if the businesses do not pay licensing fees. The Attorney General seeks injunctive relief, restitution and other compensation to consumers, civil penalties, fees and costs, and other appropriate relief.

II. Parties, Jurisdiction and Related Matters

2. Defendant MPHJ Technology Investments, LLC ("MPHJ Technology") is a Delaware Limited Liability Company that claims to be located at 1220 North Market Street, Ste. 806, Wilmington, Delaware 19801. This is the address of Registered Agents Legal Services, LLC, MPHJ Technology's registered agent in Delaware.

3. MPHJ Technology operates in Vermont through forty wholly-owned shell subsidiary companies: AbsMea, LLC; AccNum, LLC; AdzPro, LLC; BarMas, LLC; BetNam,

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LLC; BriPol, LLC; BruSed, LLC; BunVic, LLC; CalLad, LLC; CalNeb, LLC; CapMat, LLC; ChaPac, LLC; CraVar, LLC; DayMas, LLC; DesNot, LLC; DreOcc, LLC; DucPla, LLC; ElaMon, LLC; EntNil, LLC; EquiVas, LLC; FanPar, LLC; FasLan, LLC; FolNer, LLC; FraMor, LLC; GimVea, LLC; GosNel, LLC; GraMet, LLC; HadOpp, LLC; HanMea, LLC; HarNol, LLC; HeaPle, LLC; InaNur, LLC; InkSen, LLC; IntPar, LLC; IsaMai, LLC; JamVor, LLC; JitNom, LLC; JonMor, LLC; JudPur, LLC; and JusLem , LLC (collectively, the "Shell LLCs"). Each of the Shell LLCs is a Delaware Limited Liability Company that claims to be located at 40 East Main Street, #19, Newark, Delaware 19711, a UPS Store.

4. Jay Mac Rust, a Texas attorney, is the manager of MPHJ Technology. Calls from letter recipients to any Shell LLC are directed to Mr. Rust if there is a significant problem.

5. Mr. Rust is also the signatory of every patent's "Exclusive License Agreement" between MPHJ Technology and each Shell LLC. He has signed each agreement on behalf of both MPHJ Technology and the Shell LLC.

6. MPHJ Technology controls the operations of the Shell LLCs.

7. At all times relevant to this Complaint, Defendant MPHJ Technology did business in Vermont and solicited payments from Vermont consumers through its wholly owned subsidiaries.

8. The Vermont Attorney General is authorized under the Vermont Consumer Protection Act, 9 V.S.A. § 2458(b), to sue to enforce the Act's prohibitions on unfair and deceptive acts and practices in commerce.

9. This Court has personal jurisdiction over Defendant and is the proper venue for this action, based on the unfair and deceptive letters sent, or otherwise authorized, by Defendant throughout Vermont, including in Washington County.

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10. This action is in the public interest.

III. Statutory Framework

11. The Vermont Consumer Protection Act, 9 V.S.A. § 2453(a), prohibits unfair and deceptive acts and practices in commerce.

12. Businesses are considered consumers under the Vermont Consumer Protection Act, except where the goods or services at issue are being resold by the business.

13. The acts described below, and summarized in paragraphs 14-54, constitute unfair and deceptive acts and practices in commerce.

IV. Facts

14. Since September 2012, numerous Vermont small businesses have received letters from one of the Shell LLCs.

15. Defendant, acting through the Shell LLCs, has sent similar letters to hundreds or thousands of businesses outside Vermont.

16. One Vermont recipient of the letters was Lincoln Street, Inc., a Springfield, Vermont non-profit that operates on state and federal funding to bring home care to developmentally disabled Vermonters. Another Vermont recipient was ARIS Solutions, a non-profit that provides fiscal agent services to Vermonters with disabilities to assist them with daily living tasks.

17. The letters allege potential infringement of MPHJ Technology's patents, and request that the recipients either purchase licenses or confirm that they are not infringing the patents. *See* Exs. A-C.

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18. The patents that Defendant owns and that are referenced in these letters sent to Vermont businesses were previously the subject of litigation brought by the prior owner of the patents. Those lawsuits were voluntarily dismissed by the patent-holder prior to any determination of their validity. No court has ruled on the validity of the patents.

19. The earliest patent referenced in these letters was filed in 1998 and issued in 2001.

20. On information and belief, no attempt to enforce the patents occurred until 2012.

21. Exhibit A is a redacted copy of the first letter sent to targeted businesses.

22. The first letter began, "We have identified your company as one that appears to be using the patented technology."

23. The first letter further stated:

> You should know also that we have had a positive response from the business community to our licensing program. As you can imagine, most businesses, upon being informed that they are infringing someone's patent rights, are interested in operating lawfully and taking a license promptly. Many companies have responded to this licensing program in such a manner. Their doing so has allowed us to determine that a fair price for a license negotiated in good faith and without the need for court action is payment of [$900 – $1200] per employee.

24. The first letter demanded that if the recipient business did not believe it was infringing, it fill out a questionnaire and produce extensive and burdensome documentation to prove that it was not infringing. *See* Ex. A, p. 4, para 2.

25. Exhibit B is a redacted copy of the third letter in the series of letters sent to Vermont businesses.

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26. Exhibit C is a redacted copy of a draft complaint sent to Vermont businesses with the second or third letter.

27. The second and third letters were sent by a Texas law firm, Farney Daniels LLP ("Farney Daniels"). The second and third letters state that Farney Daniels is sending the letters on behalf of the Shell LLC that sent the first letter.

28. These later letters claimed that, because the recipients did not respond to the first, or first and second, letters, it was reasonable to assume that the recipient was infringing the patents, and Defendant had therefore retained patent counsel.

29. Some businesses that have complained to the Attorney General never received the first or second letters, and only received a third letter that referred to the prior letters.

30. The second letter stated that Farney Daniels' representation can involve litigation, which could be avoided if the recipient were to respond in two weeks to discuss licensing the patents.

31. The third letter twice promised to bring litigation:

> [I]f we do not hear from you within two weeks from the date of this letter, our client will be forced to file a Complaint against you for patent infringement in Federal Court where it will pursue all of the remedies and royalties to which it is entitled. . .
>
> [W]e must hear from you within two weeks of the date of this letter. Given that litigation will ensue otherwise, we again encourage you to retain competent patent counsel to assist you in this matter. (Emphasis in original).

32. The third letter, and sometimes the second letter, attached a draft complaint against the receiving business, naming the Shell LLC that sent the letter as the plaintiff. *See* Exhibit C.

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33. Defendant states in the letters that it will target additional Vermont businesses as part of its "ongoing vigorous licensing program."

34. The three letters Defendant sent to Vermont businesses contain statements that are false, deceptive, and likely to mislead the businesses that received them.

35. On information and belief, Defendant performed little, if any, due diligence to confirm that the targeted businesses were actually infringing its patents prior to sending these letters.

36. Defendant targeted small businesses in commercial fields that were likely unrelated to patent law.

37. On information and belief, Defendant has not received a positive response from the business community to its licensing program.

38. Nationwide, only a tiny fraction of the businesses that have received these letters, not "many" or "most," have purchased licenses.

39. The actual average licensing fee negotiated by Defendant was less than $900.

40. A business that receives a letter from a law firm that mentions the possibility of litigation is reasonably likely to infer that the threat of potential litigation is real.

41. Neither Defendant nor any Shell LLC has filed a single lawsuit in Vermont or any other state.

42. Over 130 days have passed since Vermont businesses began receiving letters promising that they would be sued if they did not respond within two weeks.

43. On information and belief, at the time the third letters were sent, and Defendant's counsel promised to sue the recipient businesses, Defendant had not engaged

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in any further investigation of the recipient businesses or determined that the businesses were actually infringing its patents.

44. At the time the letters were sent to Vermont businesses, Defendant had not retained local Vermont counsel, as would be needed to prepare for litigation in Vermont.

45. Obtaining an opinion from qualified patent counsel as to whether a patent is valid and whether a potential patent-infringement action is likely to succeed can cost thousands of dollars, and can exceed the cost of the requested licenses.

46. Even an unsuccessful patent-infringement action may cost the defendant in excess of $1-2 million if the defendant chooses not to settle.

47. In certain circumstances, defendants in patent litigation may be able to recover their costs from plaintiffs, but that requires first enduring the entirety of the litigation.

48. If the defendant in a patent lawsuit successfully moves for an award of fees and costs, but the plaintiff is an undercapitalized shell company, the defendant will not be reimbursed for the costs of litigation.

49. In the letters sent to Vermont businesses, each Shell LLC claimed to possess an exclusive license, which would permit it to enforce the patents against businesses within a specific geographic area and commercial field.

50. Each Shell LLC was actually assigned a combination of geographic and commercial fields that was identical to at least one other Shell LLC.

51. Given the overlapping assignments, the Shell LLCs do not possess exclusive licenses.

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52. The Shell LLCs mostly targeted businesses in Vermont that were located outside the geographic regions in which the Shell LLCs claimed to be legally permitted to enforce the patents.

53. Despite the reasonable inference that counsel sending a letter threatening litigation has reviewed the case and found it meritorious in accordance with his or her professional and ethical obligations, on information and belief, that review did not take place.

54. Defendant acted in bad faith by sending these letters to Vermont businesses.

V. Cause of Action: Unfair and Deceptive Trade Practices

55. Plaintiff realleges and incorporates by reference herein each and every allegation contained in the preceding paragraphs 1 through 54.

56. Defendant engaged in unfair trade practices in commerce in violation of the Vermont Consumer Protection Act, 9 V.S.A. § 2453(a), including:

a. Stating that litigation would be brought against the recipients, when Defendant was neither prepared nor likely to bring litigation;

b. Using legal counsel to imply that Defendant had performed a sufficient pre-suit investigation, including investigation into the target businesses and their potentially infringing activities, that would be required to justify filing a lawsuit;

c. Targeting small businesses that were unlikely to have the resources to fight patent-litigation, or even to pay patent counsel;

d. Sending letters that threatened patent-infringement litigation with no independent evidence that the recipients were infringing its patents;

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e. Shifting the entire burden of the pre-suit investigation onto the small businesses that received the letters;

f. Propounding burdensome information demands on any business that claimed not to infringe the patents; and

g. Using shell corporations in order to hide the true owners of the patents, avoid liability, and encourage quick settlements.

57. Defendant engaged in deceptive trade practices in commerce in violation of the Vermont Consumer Protection Act, 9 V.S.A. § 2453(a), by making deceptive statements in the threatening letters which would likely lead consumers to believe the following:

a. Defendant would sue the target businesses if they did not respond within two weeks;

b. Defendant would sue the target businesses if they did not pay money;

c. Defendant had a reasonable basis for identifying the target businesses as infringing its patents;

d. Subsidiary Shell LLCs were exclusive licensees able to enforce the patents;

e. Target companies were within the sending Shell LLC's alleged area of exclusivity;

f. Defendant's licensing program had received a positive response from the business community;

g. Many or most businesses were interested in promptly purchasing a license from Defendant;

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h. Based on prior licensing agreements, the fair price of a license was between $900 and $1200 per employee;

i. Target businesses were receiving a third letter, which refers to two prior letters, when in many cases recipients had received no prior letters.

WHEREFORE Plaintiff State of Vermont requests judgment in its favor and the following relief:

1. A permanent injunction prohibiting Defendant from engaging in any business activity in, into or from Vermont that violates Vermont law.

2. A permanent injunction requiring Defendant to stop threatening Vermont businesses with patent-infringement lawsuits.

3. Full restitution to all Vermont businesses who suffered damages due to Defendant's acts.

4. Civil penalties of up to $10,000.00 for each violation of the Consumer Protection Act.

5. The award of investigative and litigation costs and fees to the State of Vermont.

6. Such other relief as the Court deems appropriate.

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Dated: May 8, 2013

STATE OF VERMONT

WILLIAM H. SORRELL
ATTORNEY GENERAL

By: _____

Bridget C. Asay
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Vermont Attorney General's Office
109 State Street
Montpelier, VT 05609
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Exhibit A

HarNol, LLC
40 East Main Street, #19
Newark DE 19711
866-320-8371
licensing@harnol.org

[redacted]

[redacted]

[redacted]

Re: [redacted]

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 [redacted] 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.

1. U.S. Pat. No. 7,986,426 ("Distributed Computer Architecture And Process For Document Management");
2. U.S. Pat. No. 7,477,410 ("Distributed Computer Architecture And Process For Virtual Copying");
3. U.S. Pat. No. 6,771,381 ("Distributed Computer Architecture And Process For Virtual Copying");
4. U.S. Pat. No. 6,185,590 ("Process And Architecture For Use On Stand-Alone Machine And In Distributed Computer Architecture For Client Server And/Or Intranet And/Or Internet Operating Environments"); and
5. 13/182,857 filed July 14, 2011 ("Distributed Computer Architecture And Process For Document Management").

You can find and review each of the issued patents listed above at www.google.com/patents.

[redacted]

As you may know, a patent's scope is defined by its claims, and you will see that each of the above-listed patents have different claims. While those differences matter and mean each patent is distinct, the patents listed above do, as a group, generally relate to the same technology field, and cover what at the time was a groundbreaking distributed computer architecture and process for digital document management. An illustrative embodiment of the architecture of the patents is provided in Figure 28, which is reproduced here for your reference.

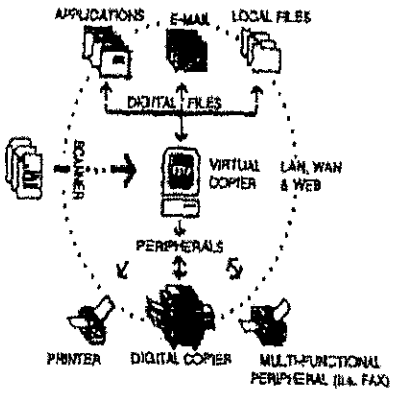

Fig. 28

A good example of an infringing system, and one your company likely uses, is an office local area network ("LAN") which is in communication with a server, employee computers having email software such as Outlook or Lotus, and a third-party scanner (or a multi-function printer with scanning functionality) which permits the scanning of a document directly to employee email address as a pdf attachment. Such a system would be a typical example of what infringes. There are other examples listed further below.

We note here that the scope of the patents is technically defined by the claims, and the language of the claims defines the legal scope of the patents. The more generalized examples provided in this letter are for your convenience and should not be considered exact substitutes for the more detailed claims. As such, you may find it useful to consider, as illustrative examples, claims 1-5 of the '426 Patent. Reviewing those you can see that the patent claims are directed to a system having a digital copier/scanner/multifunction device with an interface to office equipment (or to the web) and related software, for scanning or copying and transmitting images electronically to one or more destinations such as email, applications or other local files. Coverage of this type of system, and of the more generally worded example in the previous paragraph, is further reflected in claims 1, 8 and 15 of the '410 Patent, claims 12 and 15 of the '381 Patent, and claims 9 and 16 of the '590 Patent. Obviously each claim is separately drafted and you should consider the scope of each claim separately.

To assist you in confirming that you need a license, we provide illustrative examples of infringing systems below in the form of a brief set of fact checklists that you can use to determine if your system is one for which you should contact us about a license. If you can answer "YES" to each question under any of the scenarios A through C below, then you should contact us promptly.

[redacted]

A. Internetworking of Scanner/MFP and Email (SMTP, IMAP, POP3)

Yes	No	
☐	☐	1. Does your company use document scanning equipment that is network addressable (*i.e.*, it has an IP address and can communicate on your network);
☐	☐	2. Does your company use Microsoft Exchange/Outlook, Lotus Domino/Notes or a comparable system for company email;
☐	☐	3. Are at least some of your employees' email addresses loaded into the scanner, so that you can select to whom you wish to send a scanned document by email; or, alternatively, can you manually input an employee's email address into the scanner to whom you wish a scanned document to be sent; and
☐	☐	4. Can you cause your scanner to transform your paper document to a .pdf file, and have it automatically transmitted to one or more of your employees by email. By automatically, we mean that pressing a "Start" or "Go" button instigates both the copying of the document and the automatic transmission of the document to its intended destination (such as a Microsoft Outlook email inbox).

B. Scanner/MFP and Sharepoint (HTTP and HTTPS)

☐	☐	1. Does your company use document scanning equipment that is network addressable (*i.e.*, it has an IP address and can communicate on your network);
☐	☐	2. Does your company use Microsoft Sharepoint; and
☐	☐	3. Is your scanner equipment configured so that you can scan a document and automatically transmit it to a Sharepoint site address.

C. Scanner/MFP and FTP/SFTP Site

☐	☐	1. Does your company use document scanning equipment that is network addressable (*i.e.*, it has an IP address and can communicate on your network);
☐	☐	2. Does your company use File Transfer Protocol and/or Secure File Transfer Protocol; and
☐	☐	3. Is your scanner equipment configured so that you can scan a document and automatically transmit it to an FTP or SFTP site.

Our research, which includes review of several marketplace trends and surveys, including various IDC reports, Infotrends reports and market share analyses, as well as a recent survey of an IT service company about the internal network environments of its clients, has led us to the conclusion that an overwhelming majority of companies like yours utilize systems that are set up to practice at least one of scenarios A through C above. Indeed, such practices are now standard in many industries. As a common example, our investigation has shown that most businesses have migrated to the usage of corporate email servers running Exchange or Lotus Domino/Notes and have further incorporated digital scanning into their workflows.

[redacted]

As your organization almost certainly uses in its day-to-day operations digital copier/scanner/multifunction equipment which is interfaced to a separate central office computer (an office network), so that digital images may be scanned and transmitted to one or more destinations such as email accounts and other applications, you should enter into a license agreement with us at this time.

If you believe you are in the unusual position of not having a system that can practice any of scenarios A through C outlined above, or otherwise avoids the requirements of the patent claims, please contact us so we may discuss means for confirming that. Upon appropriate confirmation, we would agree you have no need of a license and would not intend to pursue the matter further unless circumstances changed in a way to warrant reopening a reasonable inquiry. The materials we likely would require could include copies of the user manuals for your office copying/scanning equipment, along with the IP addresses and 2012 daily activity logs for each of them, as well as the registry of each of the email servers and file servers used in your company. These would allow us to determine whether we agree with your assessment. Of course, we are willing to treat any information you provide us as confidential and we will sign a non-disclosure agreement to that effect if you so desire. We should note that the examples A through C above are not an exhaustive list of the systems which may infringe, and that it may be determined that your system nevertheless requires a license even if it does not exactly fit one of the more common examples we have provided in this letter. However, when you provide us with the above information, we will be able to make that determination and explain that situation to you, if it exists.

You should know also that we have had a positive response from the business community to our licensing program. As you can imagine, most businesses, upon being informed that they are infringing someone's patent rights, are interested in operating lawfully and taking a license promptly. Many companies have responded to this licensing program in such a manner. Their doing so has allowed us to determine that a fair price for a license negotiated in good faith and without the need for court action is a payment of $1,000 per employee. We trust that your organization will agree to conform your behavior to respect our patent rights by negotiating a license rather than continuing to accept the benefits of our patented technology without a license. Assuming this is the case, we are prepared to make this pricing available to you.

As part of our licensing program, we have received certain common inquiries that frequently are asked. In anticipation that you might have some of those same questions, and with an interest in addressing those sooner than later, we wish to provide some additional information as well.

One common question we have been asked is why we are not contacting the manufacturers of the scanning equipment or application software directly. The answer is our patent rights do not claim any scanning equipment, network file systems, FTP or Sharepoint sites, or email systems *alone*. Instead, our patent rights are addressed to end user enterprise systems which use network scanners or MFPs interoperably with other software/systems in order to practice the patented solution. As such, we would not, and do not, expect any manufacturer of a particular piece of equipment or software to accept any responsibility for the infringement created by the overall system, of which their product is only a part. Further, we expect that if you review your own agreements with these manufacturers, you will find that likewise they do not owe you any duty to indemnify you for situations where you combine a piece of equipment or software with other equipment or software to make a larger, more integrated (and useful) system.

[redacted]

Another common question is whether (or why) you have been singled out to receive this letter, as you may believe there are other companies like you that have not been contacted. Our response to that is to assure you that we have an ongoing vigorous licensing program that is being handled as promptly as possible, and that we fully expect to address the companies who are in need of a license. That said, your infringement of the patent rights is not justified by the infringement by others, as we are sure you understand.

We do invite you to consult with a patent attorney regarding this matter. Patents are exclusive property rights granted by law, and there can be serious consequences for infringement. Infringers who continue to infringe in the face of an objectively high risk of infringement of a valid patent can be forced to pay treble (triple) the actual damages, as well as the patent owner's litigation costs, including all attorney's fees.

Please let us hear from you within two weeks of the date of this letter, so that we may agree with you upon an appropriate license arrangement if one is needed. You may answer by contacting us by mail, phone, or email at the address provided at the start of this letter. We look forward to hearing from you.

Sincerely,

David Martin
HarNol, LLC

[redacted]

Exhibit B

FARNEY DANIELS LLP

[redacted]

Silicon Valley
Dallas

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

[redacted]

Delaware
Austin/Georgetown

Via First Class Mail

[redacted]

Re: [redacted]

Dear [redacted]

We write with respect to the patent licensing efforts of our client, EntNil, 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.

Accordingly, if we do not hear from you within two weeks from the date of this letter, our client will be forced to file a Complaint against you for patent infringement in Federal District Court where it will pursue all of the remedies and royalties to which it is entitled. The Complaint is attached, so that you may review it and show it to your counsel. Please note that we reserve the right to modify the Complaint, including adding additional patents, before we file. While our client would like to avoid litigation, it takes its licensing responsibilities seriously, as well as its responsibilities to protect the interests of all the companies who have already taken the proper step of obtaining a license. As stated in both the first and second letters you received, our client has no interest in seeking a license from someone who does not infringe. To reiterate this point one last time, if your company does not use a system covered by the patents, we urge you to contact us to confirm non-infringement so that we may discontinue our correspondence with you and avoid the unnecessary expense associated with a lawsuit.

In the far more likely scenario that you do need a license, we are prepared to work with you to reach an agreement on reasonable terms, but we must hear from you within two weeks of the date of this letter. Given that litigation will ensue otherwise, we again encourage you to retain competent patent counsel to assist you in this matter. If you have already retained patent counsel, please forward this letter to them and inform us of your choice of counsel so that we may direct all future correspondence to them.

You may contact me at (512) 508-8481.

Sincerely,

Maeghan Whitehead

Maeghan Whitehead

[redacted]

Appendix F

Complaint, Emergis Technologies, Inc., v. Orlando Utilities Commission, U.S. District Court, Middle District of Florida.

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

EMERGIS TECHNOLOGIES, INC., f/k/a BCE EMERGIS TECHNOLOGIES, INC.,

Plaintiff,

v.

ORLANDO UTILITIES COMMISSION

Defendant.

Civil Action No. 6:06-CV-388-19 KRS

JURY TRIAL DEMANDED

COMPLAINT

Plaintiff, EMERGIS TECHNOLOGIES, INC., f/k/a BCE EMERGIS TECHNOLOGIES, INC., by and through its undersigned attorneys, for its Complaint against Defendant, ORLANDO UTILITIES COMMISSION, hereby demands a jury trial and alleges as follows:

NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 1 et seq.

PARTIES

2. Plaintiff, EMERGIS TECHNOLOGIES, INC., f/k/a BCE EMERGIS TECHNOLOGIES, INC. ("Emergis"), is incorporated under the laws of the State of Delaware and has its principal place of business at 1600 International Drive, Suite 200, McLean, Virginia 22102.

3. On information and belief, Defendant, ORLANDO UTILITIES COMMISSION, is has its principal place of business at 500 South Orange Avenue, Orlando, Florida 32801.

JURISDICTION AND VENUE

4. This Court has jurisdiction over the subject matter of Emergis' Complaint pursuant to 28 U.S.C. §§ 1331 and 1338(a).

5. This Court has personal jurisdiction over Defendant Orlando Utilities Commission because, among other things, on information and belief, Orlando Utilities Commission has physically conducted and continues to physically conduct business in the State of Florida and in this judicial district, and is amenable to service of process here pursuant to Florida Statute 48.193. Defendant maintains its principal place of business and headquarters in the State of Florida.

6. Venue is proper in this judicial district pursuant to 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b).

BACKGROUND

7. Emergis is a leading North American eBusiness company that supplies technology solutions and services to the transaction-intensive financial services market in North America and Canadian health care and government sectors. Emergis' technology solutions allow the automation of transactions between partners, suppliers and clients, enabling them to interact and transact electronically more efficiently, faster, in a secure environment.

8. Emergis' expertise and core competencies lie in inter-company transactions processing principally in the health and finance segments, and more specifically in the areas of: (a) online processing, adjudication and payment of prescription drug, dental and other health care services claims; (b) enablement of electronic payments; and (c) paperless loan document

processing. Emergis' customers include leading Canadian health insurers, U.S. banks, the top six Canadian banks and a number of North America's largest enterprises.

9. On March 28, 2000, United States Patent No. 6,044,362 ("the '362 patent"), entitled "Electronic Invoicing and Payment System," and naming as its sole inventor R. Alan Neely, was duly and legally issued by the United States Patent and Trademark Office. Emergis owns by assignment the entire right, title, and interest in the '362 patent such that it may enforce that patent. A copy of Emergis' '362 patent is attached hereto as Exhibit A.

10. The '362 patent broadly claims systems for automated electronic billing and payment, incorporating a wide variety of user interface facilities and mechanisms by which invoices may be presented and payment instructions may be initiated.

11. On information and belief, Defendant Orlando Utilities Commission serves more than 310,000 electricity customers and more than 196,000 customers in Florida. In support of this business, Orlando Utilities Commission employs an electronic invoicing, payment, and presentment ("EIPP") facility to its customers via its Internet website. Customers may access this EIPP facility remotely using a personal computer to view invoices and initiate payment transactions to Orlando Utilities Commission.

12. Orlando Utilities Commission has had actual notice of the existence of the '362 patent.

COUNT I

ORLANDO UTILITIES COMMISSION'S INFRINGEMENT OF THE '362 PATENT

13. Emergis repeats and realleges the allegations of Paragraphs 1 though 12 as though fully set forth herein.

14. Orlando Utilities Commission has been and is directly infringing, actively inducing others to infringe, and/or contributing to the infringement of the '362 patent by making, using, importing into the United States, offering for sale, selling, and/or otherwise distributing electronic invoicing and payment technology in violation of 35 U.S.C. § 271.

15. Orlando Utilities Commission's infringement has injured or will injure Emergis and Emergis is entitled to recover damages adequate to compensate it for Orlando Utilities Commission's infringement, which in no event can be less than a reasonable royalty.

16. Orlando Utilities Commission's infringement has been deliberate, willful, intentional, and with full knowledge of the existence of the '362 patent.

17. Orlando Utilities Commission has caused and will cause Emergis substantial damage and irreparable injury by its infringement of the '362 patent, and Emergis will continue to suffer damage and irreparable injury unless and until Orlando Utilities Commission is enjoined by this Court from continuing its infringement.

18. Emergis is entitled to injunctive and compensatory relief, including attorneys' fees and costs, as well as enhanced damages pursuant to 35 U.S.C. §§ 271, 281, and 283-85.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Emergis respectfully requests that this Court enter Judgment in favor of Emergis and against Orlando Utilities Commission, and grant to Emergis all of the following relief:

(A) Enter judgment that Orlando Utilities Commission has infringed and is infringing the '362 patent;

(B) Enter judgment that the aforementioned infringement by Defendant Orlando Utilities Commission has been and is willful;

(C) Enter orders preliminarily and permanently enjoining Orlando Utilities Commission, and its respective officers, agents, employees, and all others in active concert or participation with Orlando Utilities Commission or any of them from further infringing, whether directly or indirectly, the '362 patent;

(D) Award Emergis its damages in an amount sufficient to compensate Emergis for Defendants' infringement of the '362 patent, together with pre-judgment and post-judgment interest and costs, pursuant to 35 U.S.C. § 284;

(E) Award enhanced damages to Emergis in an amount not less than three times the amount of compensatory damages awarded by this Court for Defendants' willful infringement of the '362 patent, pursuant to 35 U.S.C. § 284;

(F) Declare this case to be "exceptional" under 35 U.S.C. § 285, and award Emergis its attorneys' fees, expenses, and costs incurred in this action; and

(G) Award Emergis such other and further relief as this Court deems just and proper.

JURY DEMAND

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff Emergis respectfully requests a trial by jury of all issues for which a trial by jury is available under applicable law.

Date: March 27 2006

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0025717\121870\936121\1

US006044362A

United States Patent [19]

Neely

[11] Patent Number: 6,044,362

[45] Date of Patent: *Mar. 28, 2000

[54] **ELECTRONIC INVOICING AND PAYMENT SYSTEM**

[76] Inventor: R. Alan Neely, 5618 Faye Dr., Greensboro, N.C. 27410

[*] Notice: This patent issued on a continued prosecution application filed under 37 CFR 1.53(d), and is subject to the twenty year patent term provisions of 35 U.S.C. 154(a)(2).

[21] Appl. No.: 08/925,344

[22] Filed: Sep. 8, 1997

[51] Int. Cl.[7] G06F 17/60

[52] U.S. Cl. 705/34; 705/26; 705/27; 705/35; 705/40; 705/44

[58] Field of Search 705/34, 40, 30, 705/35, 26, 27, 44; 379/91.01, 114; 380/30; 283/58

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The Biller's Guide To Electronic Consumer Bill Payment; NACHA, 1995.

Primary Examiner—Eric W. Stamber

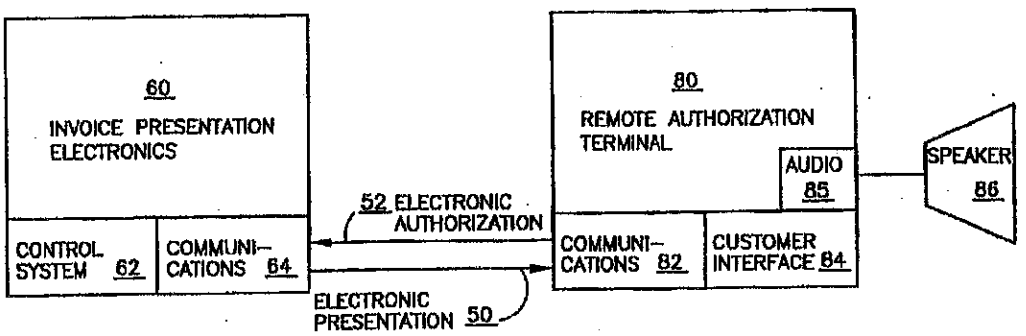
Assistant Examiner—M. Irshadullah

Attorney, Agent, or Firm—Rhodes & Mason, PLLC

[57] ABSTRACT

A system for automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer. The system includes invoice presentment electronics having a control system and first communication electronics. The system also includes at least one remote authorization terminal having a customer interface, the terminal having second communication electronics adapted to operatively communicate with the first communication electronics. The control system of the invoice presentment electronics is adapted to provide billing data, regarding a customer invoice preauthorized for automated billing, to the first communication electronics for transmission to the second communication electronics. The customer interface of the remote authorization terminal is adapted to present the billing data to a customer and to receive a response relating to the billing data from the customer, the response indicating one of acceptance of the billing data for automated billing or modification of the billing data for modifying automated billing. Acceptance can either be an active response from the customer or a passive response, for example, automatic acceptance up to a preset limit.

99 Claims, 3 Drawing Sheets



EXHIBIT

A

Blumberg No. 6208

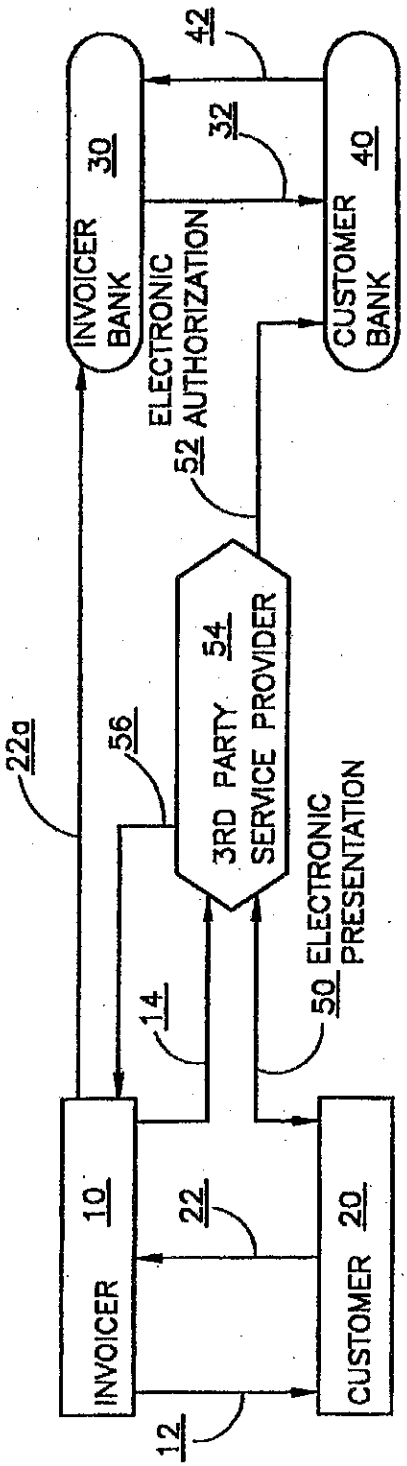


FIG. 1
(PRIOR ART)

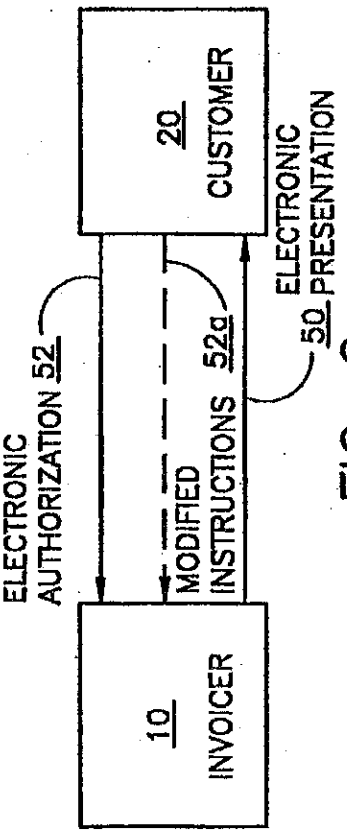


FIG. 2

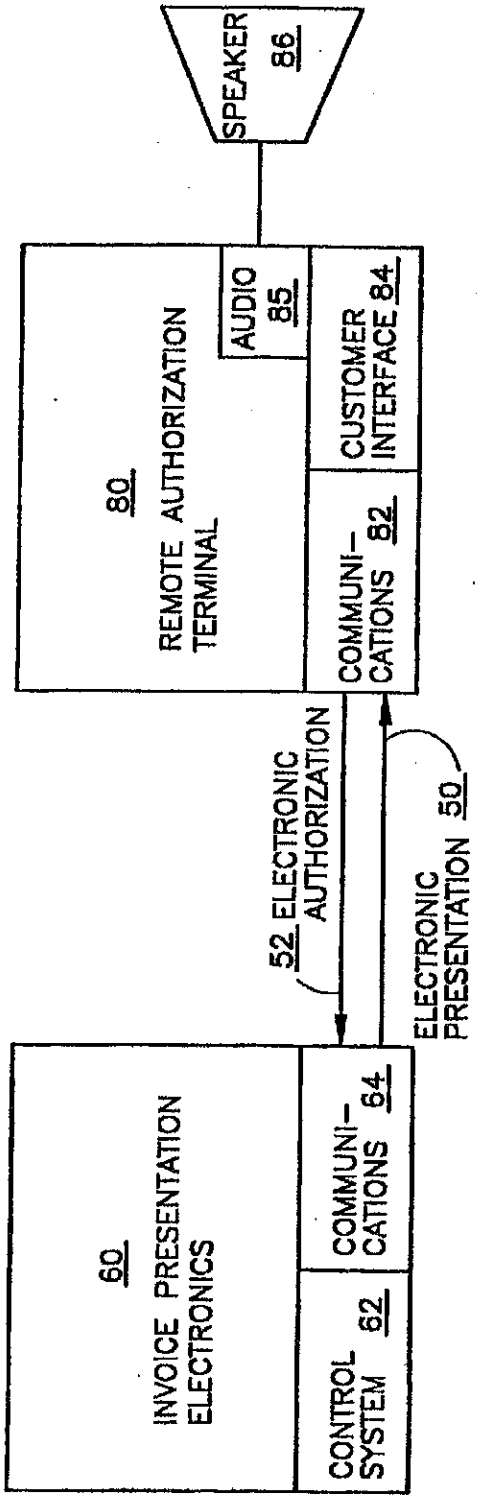

SPEAKER 86
80 REMOTE AUTHORIZATION TERMINAL
AUDIO 85
CUSTOMER INTERFACE 84
COMMUNI-CATIONS 82
52 ELECTRONIC AUTHORIZATION
ELECTRONIC PRESENTATION 50
60 INVOICE PRESENTATION ELECTRONICS
COMMUNI-CATIONS 64
CONTROL SYSTEM 62

FIG. 3A

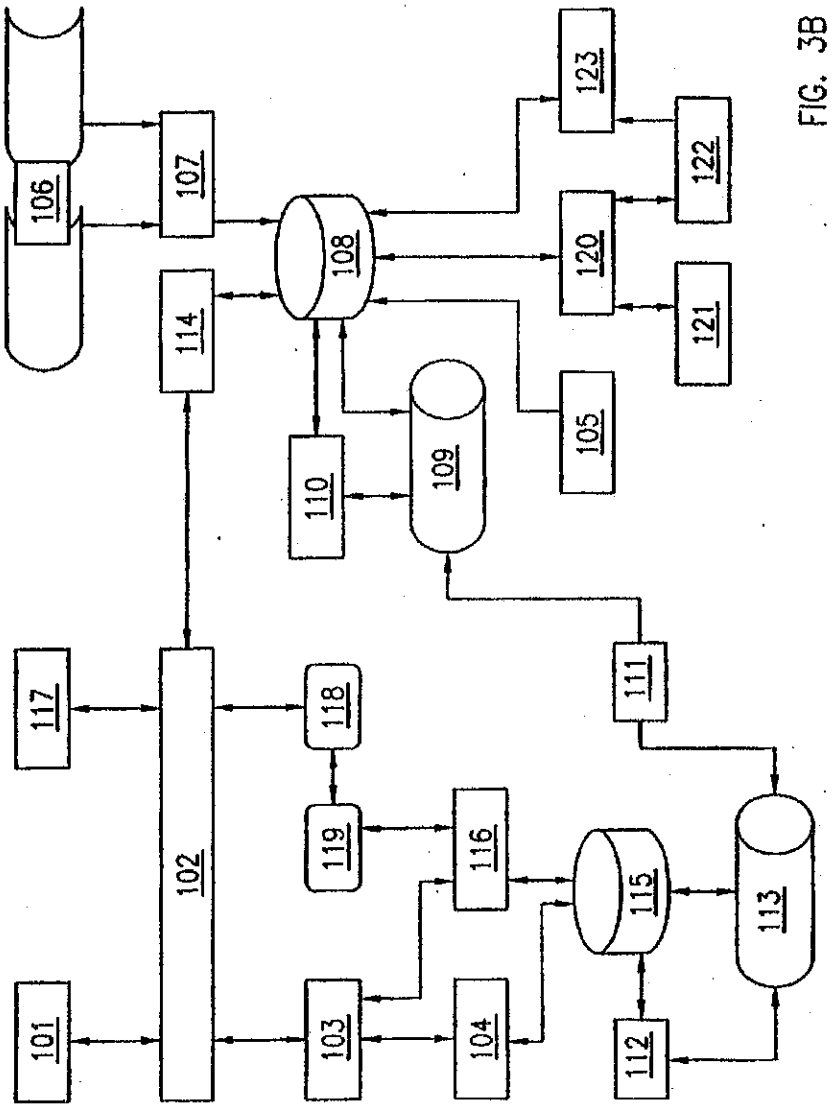

101
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FIG. 3B

ELECTRONIC INVOICING AND PAYMENT SYSTEM

BACKGROUND OF THE INVENTION

(1) Field of the Invention

The present invention relates generally to automated billing systems and, more particularly, to an automated payment system for presenting an electronic invoice to a customer for remote review and payment.

(2) Description of the Prior Art

Invoicing and payment collection has always been a very labor intensive and paper intensive process. Typically the process has involved an invoicer, usually a business, who prepares an invoice detailing the goods and services provided and the charges therefor. The invoice is mailed to a customer who verifies the correctness of the invoice and returns a payment coupon of some type along with a paper check to the invoicer. The invoicer then submits the paper check to its bank for payment through, for example, the Automated Clearing House (ACH) network. Other similar payment systems include writing a credit card number and endorsing and preauthorization to draft an account on a monthly basis up to preset limits, such as regularly paying utility bills from a checking account.

Attempts have been made to automate this process through the use of third party service providers who receive and transmit between the invoicer and the banks involved electronic information relating to payments due from a customer. Although these systems appear to streamline the process, they, in fact, may add a great deal of complexity and no small amount of expense to the process. Such electronic systems are described in U.S. Pat. No. 5,383,113, issued to Kight et al.; U.S. Pat. No. 5,283,829, issued to Anderson et al.; U.S. Pat. No. 5,220,501, issued to Lawlor et al.; and U.S. Pat. No. 5,465,206, issued to Hilt et al., the disclosures of which are hereby incorporated by reference in their entireties.

However, paper systems require that the invoice be presented to the customer and, in addition, require that either that the customer present the paper check to the invoicer's bank either directly to the invoicer or indirectly to a lock box before payment is made from the customer's bank to the invoicer's bank.

Moreover, electronic systems require that the invoice be presented to a third party service provider and then to the customer or to the customer's bank and then to the customer and, in addition, require that the customer present the electronic payment back to the third party service provider before payment is made from the customer's bank to the invoicer's bank.

Thus, there exists a need for a simple, straight forward system and method of automated electronic invoicing and payment that directly involves the invoicer and the customer while, at the same time, does not require a third party service provider and can be customized to include pre-approved payments for invoices of a certain type or under a certain dollar threshold.

SUMMARY OF THE INVENTION

The present invention is directed to an electronic invoicing and payment system for providing customers an opportunity to review and modify payment instructions carried out by the invoicer. The system includes invoice presentment electronics having a control system and first communication electronics. The system also includes at least one remote authorization terminal having a customer interface, the terminal having second communication electronics adapted to operatively communicate with the first communication electronics.

The control system of the invoice presentment electronics is adapted to provide billing data, regarding a customer invoice preauthorized for automated billing, to the first communication electronics for transmission to the second communication electronics.

The customer interface of the remote authorization terminal is adapted to present the billing data to a customer and to receive a response relating to the billing data from the customer, the response indicating one of acceptance of the billing data for automated billing or modification of the billing data for modifying automated billing.

Accordingly, one aspect of the present invention is to provide an automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer. The system includes: (a) invoice presentation electronics adapted to present customer billing data and to request payment instructions relating to automated billing to the customer; and (b) a remote electronic customer authorization interface adapted to: (i) receive the customer billing data and the request for payment instructions from the invoice presentation electronics; (ii) provide the customer billing data and the request for payment instructions to the customer; (iii) receive customer payment instructions from the customer in response to the request for payment instructions; and (iv) transmit the customer payment instructions from the customer to the invoicer, the payment instructions including at least an invoice account number and an associated customer payment account.

Another aspect of the present invention is to provide a remote electronic customer authorization interface for an automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer. The system including: (a) means for receiving customer billing data and a request for payment instructions from the invoicer; (b) means for receiving customer payment instructions from the customer in response to the request for payment instructions from the invoicer; and (c) means for transmitting the customer payment instructions from the customer to the invoicer, the payment instructions including at least an invoice account number and an associated customer payment account.

Still another aspect of the present invention is to provide an automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer. The system includes: (a) invoice presentation electronics adapted to present customer billing data and to request payment instructions relating to automated billing to the customer; (b) a remote electronic customer authorization interface, said customer interface including: means for receiving customer billing data and a request for payment instructions from the invoicer; means for receiving customer payment instructions from the customer in response to the request for payment instructions from the invoicer; and means for transmitting the customer payment instructions from the customer to the invoicer, the interface adapted to: (i) receive the customer billing data and the request for payment instructions from the invoice presentation electronics; (ii) provide the customer billing data and the request for payment instructions to the customer; (iii) receive customer payment instructions from the customer in response to the request for payment instructions; and (iv) transmit the customer payment instructions from the customer to the

invoicer, the payment instructions including at least a customer invoice number and an associated customer payment account; and (c) a payment source, the invoice presentment electronics adapted to transmit the payment instructions to the payment source after customer review.

These and other aspects of the present invention will become apparent to those skilled in the art after a reading of the following description of the preferred embodiment when considered with the drawings.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a schematic representation of various prior art invoicing systems;

FIG. 2 is a schematic representation of a method for electronic invoicing and paying performed according to present invention; and

FIGS. 3A and 3B are schematic representations of an electronic invoicing and payment system constructed according to the present invention.

DESCRIPTION OF THE PREFERRED EMBODIMENTS

In the following description, like reference characters designate like or corresponding parts throughout the several views. Also in the following description, it is to be understood that such terms as "forward", "rearward", "left", "right", "upwardly", "downwardly", and the like are words of convenience and are not to be construed as limiting terms.

Referring now to the drawings in general and FIG. 1 in particular, it will be understood that the illustrations are for the purpose of describing a preferred embodiment of the invention and are not intended to limit the invention thereto. Turning to FIG. 1, there is illustrated the current process used for paper invoice payment and automated invoice payment using a third party service provider.

In the case of the paper invoice process, an invoicer **10** prepares a paper invoice **12** which is sent via mail to customer **20**. After verifying that the invoice is correct customer **20** prepares a paper check **22** and returns the paper check **22** to invoicer **10**. Invoicer **10** then credits the account of customer **20** and submits check **22** with its other business receipts to invoicer bank **30**. Invoicer bank **30** then interacts with customer bank **40** via the well-known ACH network to demand the funds from customer's checking account and deposit those funds into the invoicer's checking account. This interaction follows a conventional, well known process represented by **32, 42**.

As discussed above, some period may elapse before invoicer **10** receives check **22** from customer **20**. This process can be expedited somewhat if the check is sent directly from customer **20** to invoicer bank **30**. This "lock box" process takes place through the use of a post office box address on the invoice which sends the check **22** to invoicer bank **30** even though the address on the invoice **12** may show the name of invoicer **10**. In this modified process, after receiving check **22**, invoicer bank **30** will still go through the ACH network **32,42** before funds are credited to invoicer's account.

In an attempt to automate this process, third party service providers **54** have entered the scene. Here invoicer **10** transmits an electronic data stream **14** to service provider **54** containing all of the information that normally is contained in a paper invoice. There is then an electronic communication **50** between service provider **54** and customer **20** for the purpose of notifying customer **20** of the pending charge and, in some cases, allowing the customer to approve of the charge against its accounts. Service provider **54** then transmits payment authorization **52** to customer bank **40**. At the same time service provider **54** may also transmit a message **56** to invoicer **10** with notification of the payment authorization **52**.

After receiving authorization **52**, customer bank **40** then sends payment to invoicer bank **30** through conventional channels.

The non-bank service provider **54** may also be granted access to the ACH network to direct draft via PPD customer bank **40** on behalf of customer **20**. In this case, service provider **54** may receive funds from the customer into the service provider checking account and then disperse those funds to invoicer **10**.

As can be seen from the complexity of FIG. **1**, both the conventional paper invoice process and the third party service provider process are cumbersome, and time/labor intensive.

As best seen in FIG. **2**, a method for electronic invoicing and paying is shown constructed according to the present invention. The method starts with the electronic presentment **50** of an invoice to customer **20**. It should be understood that the term "presentment" as used herein does not include the specialized definition normally associated with commercial paper, i.e., the production of a negotiable instrument to a drawee. Rather, the term refers to providing via electronic means an "invoice" containing at least the same customer billing data typically included on a paper invoice. This electronic presentment may take place through the use of an Internet website, a bank ATM machine or through the use of a stand alone kiosk.

In a preferred embodiment, the invoice would also include, in addition to normal billing data, a request for payment instructions. This request provides the customer the opportunity to select either the bank account from which the invoice will be paid, or it provides the customer with the option to pay via a debit card, credit card, ATM, stored value card or some source of funds.

The invoice would include billing data such as the customer name, address, account number and e-mail address. The invoice may further include bill data typically included with a paper invoice to include the period covered by the invoice, a detail of the goods/services covered by the invoice, a total amount due and a payment due date.

In addition to the typical invoice information, the electronic invoice presentment may also include customer notices relating to changes in credit terms and the like. Invoicer **10** may also include sales and promotional materials informing customer **20** of new products or sales on existing products.

After electronic invoice presentment **50**, the customer provides an electronic authorization **52** to the invoicer **10** permitting customer's account to be charged. This step eliminates the time and expense of preparing and mailing a paper check. Thus, invoicer **10** could be in a position to debit customer's bank account in as little as one day as opposed to the period required to receive a paper check **22**.

The information included in this electronic authorization could include the customer invoice number and an associated customer payment account. In a preferred embodiment, both these items of information are submitted simultaneously with the authorization. When pre-arranged instructions are made this information does not need to be resubmitted each time.

Prior to providing the authorization for payment, customer **20** is provided with a number of options for changing

the payment instructions to create modified payment instruction 52*a*. These modifications can range from no modification at all in accepting all the payment terms contained in the presentment. Alternatively, customer **20** may be provided with any combination of the following options:

1) The customer may pay less than the amount due on the invoice for either unspecified reasons or for a specific reason such a dispute concerning a line item contained on the invoice.

2) The customer may elect to pay more than the amount due on the invoice.

3) The customer may elect to make a special payment, for example, an extra principal payment on a loan.

4) The customer may elect to change the date that the payment, via electronic transfer, will take place, provided that such date has not already passed.

5) The customer may change the source of funds for the payment, i.e., from a primary checking account to a pre-authorized credit card.

Making any of these changes discussed above requires that the customer be authorized to do so by the invoicer.

The method described above may be carried out by an automated billing system depicted schematically in FIG. 3A which provides remote customer review of automated billing from an invoicer to include: (a) invoice presentation electronics **60** adapted to present customer billing data in request for payment instructions related to automated billing, and (b) an electronic customer authorization interface **84**.

The customer interface receives customer billing data and request for payment instructions from the invoicer presentation electronics and provides those items to the customer. The interface also receives customer payment instructions in response to the request for payment instructions and transmits those instructions from the customer to the invoicer.

The invoice presentment electronics **60** may further include a control system **62** and first communication electronics **64**. These components typically are located in an invoicer controlled facility.

At a customer facility, the system includes a remote authorization terminal **80** having second communication electronics **82** adapted to communicate with first electronic communications **64**. Control system **62** coordinates the generation of the electronic invoice **50** containing at least all the billing information normally included on a traditional paper invoice along with a request for payment instructions. Control system then oversees the submission of that information from the first communication electronics **64** to the second communication electronics **82** for review by the customer.

Remote authorization terminal **80** is adapted to present the billing data to a customer and to an appropriate response relating to the billing data from the customer. The response indicates acceptance of the billing data without change for automated payment or modification of the billing data as described above. The customer interface **84** is further adapted to transmit this information to invoice presentment electronics **60**.

The components of this system may be configured in a number of ways. For example, the customer accessible site may reside in an Internet website provided by invoicer for receiving the billing data and payment instructions from the customer. The website will be accessible from the customer electronic authorization interface **84**. In this instance, the customer authorization interface **84** would include an Internet browser for accessing the customer accessible site.

Other alternatives for the electronic customer authorization interface include an automated teller machine (ATM), a remote kiosk, a personal computer, an interactive television device, or a telephone.

In the case of a telephone, the electronic customer authorization interface **84** could include either a well-known touch-tone telephone or a screen-based telephone.

In another embodiment, the electronic consumer authorization interface **84** is a digital computer with the billing data and the payment request instructions presented by e-mail to the customer with an e-mail reply for relaying customer payment instructions **52** to the invoice presentation electronics **60**. The electronic customer authorization interface **84** could also include a display for presenting billing data and the request for payment instructions along with a customer actuable input for receiving customer payment instructions.

In addition to the visual display, the electronic customer authorization interface **84** could further include audio electronics **85** and a speaker **86** for presenting billing data and request for payment instructions to the customer. In this embodiment, the customer actuable input for receiving customer payment instructions may also feature a customer-spoken input.

The electronic customer authorization interface **84** may also be adapted to allow a customer to poll the invoice presentment electronics **60** to receive billing data and payment request instructions.

The automated billing system of the present invention includes submitting billing data from an invoicer to a customer for remote customer review and acceptance/modification and the transmission of those items to the invoicer. The billing information **50** that may be submitted to the customer includes any combination of the following items:

payment due date
amount due
detail of goods/services provided during a billing period
late charges
account information
customer information to include customer name, customer address, and customer account identifier (the account identifier could include a customer number and/or an account number)
invoice identifier, e.g., invoice number

The invoice presentment electronics **60** may include a memory device to store invoice information relating to customer bills and account information relating to financial institutions associated with the customer. That is, the customer may have the option of selecting from a number of accounts a specific account from which funds are drafted to pay the invoice.

The memory device and the invoice presentment electronics **60** may also include information relating to a pre-authorized payment instruction for automated payment of the billing amount set out in the billing information from an account set out in the account information. If pre-authorized payment instructions are used, the request for payment instructions **50** originating in the invoice presentment electronics **60** may query the customer for acceptance of those instructions with or without modification. To accomplish such a modification, the customer authorization interface **84** may further include an editor for modifying the pre-authorized payment instructions.

The overall operation of the present invention can best be understood by referring to FIG. 3B. The invoicer's customer

can access the system through any remotely attached computing device **101** and communicates with the invoicer systems through a public or private network **102**. A webserver or communications processor of some kind **103** manages on-line communications between the customer and application systems that allow the customer to begin the provisioning process. The customer is presented electronically data input forms to complete by a provisioning application program **104** which also may validate whether the data input by the customer is valid according to the invoicer's records as contained in the Legacy systems. After determining whether customer and financial account records are accurate, the invoicer activates the customer for electronic invoice presentment and remittance.

An electronic mail message or traditional letter may be sent to the customer with information that allows the customer to access the system, such as an account number and/or password.

During the next invoicing cycle for this customer, appropriate data, such as Legacy print data and Legacy automatic payment **106** is acquired. Legacy print data is data that would normally be sent to a printer to prepare customers' invoices on paper. Legacy automatic payment data are records that are typically created by the invoicer that allow the invoicer to initiate payment based on pre-authorized arrangements with the customer. Payment records would include those formatted for automatic funds transfer from checking or savings accounts (ACH format data), debit transactions to credit cards, debit cards, or stored value cards. Files intended for transfer to ATM networks are also anticipated.

In acquiring the data for the product, Legacy data is sorted, parsed, extracted by an application program **107** and appropriate control data is maintained for reporting on operations. An application program **108** loads data into a relational database **109** for monthly processing. In the preferred embodiment, two separate computers may be used for additional security over sensitive financial data such as account numbers or authorization codes. As a further security measure, the invoicer may choose to configure the product using a computer **110** located behind the invoicer's firewall security device and connected by a secured network **111** to the webserver hosting computer **112**.

Invoice presentment data and subsets of data on financial arrangements are made available for presentment by transfer of data using immediate transfer, for example by way of an encrypted, remote stored procedure within the database **109** or by a batch transfer.

Once data to be made available electronically has been accurately loaded to the webserver database **113**, an application program **114** sends an electronic mail message to the customer announcing the availability of the monthly invoice and providing some summary of data. Since electronic mail account data may be invalid or services might be otherwise inoperative, the application program **114** is adapted to prepare data to be sent by the US Postal Service, fax or other means. A front-end processor **115** contains a template necessary to present the invoice and default payment arrangements **116** in the manner that the invoicer desires. The webserver **103** hosts an interactive session in which the customer accesses their invoice. The customer may choose to modify pre-arranged payment arrangements. As an example, the customer may change the amount to pay, the date for payment and changing the source of funds for the payment, from a personal checking account to another invoicer-approved source, such as a credit card. These arrangements **114** are stored on the webserver database **113**.

In the preferred embodiment, the customer could also use a telephone **117** connected to a network **102** and a PBX telephone processing switch **118** to pass data to and from a voice response unit **119**. The customer could call into hear information about his invoice and signal changes to pre-existing arrangements, either through touch-tone entry or speech recognition. These changes are processed by the front end processor **115** and recorded in the data base just like remote-computer-based entries.

On each day that the invoicer transfers payment data to banks or financial transaction processing services, an application program **120** is executed to identify customers in the webserver database **113** that have payments scheduled. Data from the webserver is transferred for processing on the second computer **110** and combined with the data containing the pre-authorized, payment arrangements which was initially stored in the relational database **109**. Based on the customer's instructions, records are modified or might be deleted and recreated if a change in funding source is requested. Data is then formatted to interface back the invoicer's Legacy systems **121**, for example, simulating the normal file format for the invoicer's lockbox processing.

Data **122** is transferred to the invoicer's bank or to a third party that processes financial transactions. An application program **123** records those instances when a customer's data within a processing batch is returned for insufficient funds or incorrect account data so that the correct payment history for a customer can be maintained.

The security provisions of the product allow an exclusively invoicer-focused delivery of electronic invoice presentment and payment arrangements. Although the preferred embodiment anticipates that an invoicer may choose to outsource webserver hosting or webserver and remittance processing to an outside company on behalf of the invoicer, the service to customers would be provided so that the customer would not normally be aware that the invoicer was not actually operating the product directly.

Certain modifications and improvements will occur to those skilled in the art upon a reading of the foregoing description. It should be understood that all such modifications and improvements have been deleted herein for the sake of conciseness and readability but are properly within the scope of the following claims.

We claim:

1. An automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein the customer payment instructions are sent from the customer directly to the invoicer, said system comprising:

(a) invoice presentation electronics adapted to present customer billing data for customer review and to request payment instructions relating to automated billing to said customer; and

(b) a remote electronic customer authorization interface adapted to: (i) receive the customer billing data for customer review and the request for payment instructions from said invoice presentation electronics; (ii) provide the customer billing data for customer review and the request for payment instructions to the customer; (iii) receive customer payment instructions from the customer in response to the request for payment instructions; and (iv) transmit the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account.

2. The system according to claim 1 further including a payment source, said invoice presentment electronics

adapted to transmit the payment instructions to the payment source after customer review.

3. The system according to claim 2, wherein said payment source is a clearing house.

4. The system according to claim 3, wherein said clearing house is a payment network.

5. The system according to claim 3, wherein said clearing house is a courier.

6. The system according to claim 2, wherein said payment instructions include transmission date.

7. The system according to claim 2, wherein said payment instructions include amount to draft from customer associated financial institution.

8. The system according to claim 2, wherein said payment instructions include account information associated with the customer from which to draft payment.

9. The system according to claim 2, wherein said payment instructions include account information associated with the invoicer from which to deposit payment.

10. The system according to claim 1, wherein said billing data includes invoicer billing information.

11. The system according to claim 10, wherein said billing information includes a due date.

12. The system according to claim 10, wherein said billing information includes an amount due.

13. The system according to claim 10, wherein said billing information includes a list of goods or services provided during a billing period.

14. The system according to claim 10, wherein said billing information includes a late charge.

15. The system according to claim 10, wherein said billing information includes account information.

16. The system according to claim 1, wherein said billing data includes customer information.

17. The system according to claim 16, wherein said customer information includes customer name.

18. The system according to claim 16, wherein said customer information includes customer address.

19. The system according to claim 16, wherein said customer information includes account information for the customer.

20. The system according to claim 1, wherein said billing data includes a customer account identifier.

21. The system according to claim 1, wherein said billing data includes an invoice identifier.

22. The system according to claim 1, wherein said invoice presentment electronics includes invoice information relating to customer bills and account information relating to financial institutions associated with the customer from which payments may be drafted.

23. The system according to claim 22, wherein said invoice presentment electronics further includes preauthorized payment instructions for automated payment of a billing amount set out in said billing information from an account set out in said account information.

24. The system according to claim 23, wherein the request for payment instructions from said invoice presentment electronics query the customer if the preauthorized payment instructions are desired for the billing data presented.

25. The system according to claim 23, wherein the request for payment instructions from said invoice presentment electronics query the customer if the preauthorized payment instructions need modification for the billing data presented.

26. The system according to claim 23, wherein said customer authorization interface includes an editor for modifying the preauthorized payment instructions.

27. The system according to claim 22, wherein the account information includes account information from a plurality of financial institutions and the request for payment instructions query the customer to select the financial institution from which to draft payment for an associated customer bill.

28. The system according to claim 27, wherein said invoice presentment electronics includes a preauthorized default identifying the financial institution from which to draft payment for said associated customer bill.

29. The system according to claim 28, wherein said electronic customer authorization interface is adapted to receive a customer input to accept the preauthorized default.

30. The system according to claim 28, wherein said electronic customer authorization interface is adapted to receive a customer input to modify the preauthorized default.

31. The system according to claim 1, wherein said request for payment instructions include billing information selected from the group consisting of amount due, time of payment, account from which to draft payment.

32. The system according to claim 31, wherein said customer authorization interface is adapted to modify the billing information to change one or more of the group consisting of amount due, time of payment and account from which to draft payment.

33. The system according to claim 1, wherein said billing data include notices for the customer.

34. The system according to claim 1, wherein said billing data include advertising information directed towards the customer.

35. The system according to claim 1, wherein said billing data include control information.

36. A remote electronic customer authorization interface for an automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein the customer payment instructions are sent from the customer directly to the invoicer said system comprising:

(a) means for receiving customer billing data for customer review and a request for payment instructions from said invoicer;

(b) means for receiving customer payment instructions from the customer in response to said request for payment instructions from said invoicer; and

(c) means for transmitting the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account.

37. The system according to claim 36, wherein said payment instructions include a date to draft payment.

38. The system according to claim 36, wherein said payment instructions include a amount of invoice.

39. The system according to claim 36, wherein said invoicer provides a customer accessible site for receiving said billing data and said request for payment instructions, said site accessible from said electronic customer authorization interface.

40. The system according to claim 39, wherein said customer accessible site is an Internet site and said electronic customer authorization interface includes a browser for accessing said customer accessible site.

41. The system according to claim 39, wherein said electronic customer authorization interface is an automated teller machine.

42. The system according to claim 39, wherein said electronic customer authorization interface is a remote kiosk.

43. The system according to claim 39, wherein said electronic customer authorization interface is a personal computer.

44. The system according to claim 39, wherein said electronic customer authorization interface is an interactive television.

45. The system according to claim 39, wherein said electronic customer authorization interface is a telephone.

46. The system according to claim 39, wherein said electronic customer authorization interface is a computer, said billing data and said request for payment instructions are presented by e-mail to the customer and the customer payment instructions are provided by a customer e-mail.

47. The system according to claim 39, wherein said electronic customer authorization interface includes a display for presenting said billing data and said request for payment instructions and a customer actuable input for receiving customer payment instructions.

48. The system according to claim 39, wherein said electronic customer authorization interface includes audio electronics and a speaker for presenting said billing data and said request for payment instructions and a customer actuable input for receiving customer payment instructions.

49. The system according to claim 39, wherein said electronic customer authorization interface is adapted to allow a customer to poll said invoice presentment electronics to receive said billing data and said request for payment instructions.

50. An automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein the customer payment instructions are sent from the customer directly to the invoicer, said system comprising:

(a) invoice presentation electronics adapted to present customer billing data for customer review and to request payment instructions relating to automated billing to said customer;

(b) a remote electronic customer authorization interface, said customer interface including: means for receiving customer billing data for customer review and a request for payment instructions from said invoicer; means for receiving customer payment instructions from the customer in response to said request for payment instructions from said invoicer; and means for transmitting the customer payment instructions from the customer to said invoicer, said interface adapted to: (i) receive the customer billing data for customer review and to request for payment instructions from said invoice presentation electronics; (ii) provide the customer billing data for customer review and the request for payment instructions to the customer, (iii) receive customer payment instructions from the customer in response to the request for payment instructions; and (iv) transmit the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account; and

(c) a payment source, said invoice presentment electronics adapted to transmit the payment instructions to the payment source after customer review.

51. The system according to claim 50, wherein said payment source is a clearing house.

52. The system according to claim 51, wherein said clearing house is a courier.

53. The system according to claim 51, wherein said clearing house is a payment network.

54. The system according to claim 50, wherein said payment instructions include transmission date.

55. The system according to claim 50, wherein said payment instructions include amount to draft from customer associated financial institution.

56. The system according to claim 50, wherein said payment instructions include account information associated with the customer from which to draft payment.

57. The system according to claim 50, wherein said payment instructions include account information associated with the invoicer from which to deposit payment.

58. The system according to claim 50, wherein said billing data includes invoicer billing information.

59. The system according to claim 58, wherein said billing information includes a due date.

60. The system according to claim 58, wherein said billing information includes an amount due.

61. The system according to claim 58, wherein said billing information includes a list of goods or services provided during a billing period.

62. The system according to claim 58, wherein said billing information includes a late charge.

63. The system according to claim 58, wherein said billing information includes account information.

64. The system according to claim 50, wherein said billing data includes customer information.

65. The system according to claim 64, wherein said customer information includes customer name.

66. The system according to claim 64, wherein said customer information includes customer address.

67. The system according to claim 64, wherein said customer information includes account information for the customer.

68. The system according to claim 50, wherein said billing data includes a customer account identifier.

69. The system according to claim 50, wherein said billing data includes an invoice identifier.

70. The system according to claim 50, wherein said invoice presentment electronics includes invoice information relating to customer bills and account information relating to financial institutions associated with the customer from which payments may be drafted.

71. The system according to claim 70, wherein the account information includes account information from a plurality of financial institutions and the request for payment instructions query the customer to select the financial institution from which to draft payment for an associated customer bill.

72. The system according to claim 71, wherein said invoice presentment electronics includes a preauthorized default identifying the financial institution from which to draft payment for said associated customer bill.

73. The system according to claim 72, wherein said electronic customer authorization interface is adapted to receive a customer input to accept the preauthorized default.

74. The system according to claim 72, wherein said electronic customer authorization interface is adapted to receive a customer input to modify the preauthorized default.

75. The system according to claim 70, wherein said invoice presentment electronics further includes preauthorized payment instructions for automated payment of a billing amount set out in said billing information from an account set out in said account information.

76. The system according to claim 75, wherein the request for payment instructions from said invoice presentment electronics query the customer if the preauthorized payment instructions are desired for the billing data presented.

77. The system according to claim 75, wherein the request for payment instructions from said invoice presentment electronics query the customer if the preauthorized payment instructions need modification for the billing data presented.

78. The system according to claim 75, wherein said customer authorization interface includes an editor for modifying the preauthorized payment instructions.

79. The system according to claim 50, wherein said request for payment instructions include billing information selected from the group consisting of amount due, time of payment, account from which to draft payment.

80. The system according to claim 79, wherein said customer authorization interface is adapted to modify the billing information to change one or more of the group consisting of amount due, time of payment and account from which to draft payment.

81. The system according to claim 50, wherein said billing data include notices for the customer.

82. The system according to claim 50, wherein said billing data include advertising information directed towards the customer.

83. The system according to claim 50, wherein said billing data include control information.

84. The system according to claim 50, wherein said payment instructions include a date to draft payment.

85. The system according to claim 50, wherein said payment instructions include a amount of invoice.

86. The system according to claim 50, wherein said invoicer provides a customer accessible site for receiving said billing data and said request for payment instructions, said site accessible from said electronic customer authorization interface.

87. The system according to claim 86, wherein said customer accessible site is an Internet site and said electronic customer authorization interface includes a browser for accessing said customer accessible site.

88. The system according to claim 86, wherein said electronic customer authorization interface is an automated teller machine.

89. The system according to claim 86, wherein said electronic customer authorization interface is a remote kiosk.

90. The system according to claim 86, wherein said electronic customer authorization interface is a personal computer.

91. The system according to claim 86, wherein said electronic customer authorization interface is an interactive television.

92. The system according to claim 86, wherein said electronic customer authorization interface is a telephone.

93. The system according to claim 86, wherein said electronic customer authorization interface is a computer, said billing data and said request for payment instructions are presented by e-mail to the customer and the customer payment instructions are provided by a customer e-mail.

94. The system according to claim 86, wherein said electronic customer authorization interface includes a display for presenting said billing data and said request for payment instructions and a customer actuable input for receiving customer payment instructions.

95. The system according to claim 86, wherein said electronic customer authorization interface includes audio electronics and a speaker for presenting said billing data and said request for payment instructions and a customer actuable input for receiving customer payment instructions.

96. The system according to claim 86, wherein said electronic customer authorization interface is adapted to allow a customer to poll said invoice presentment electronics to receive said billing data and said request for payment instructions.

97. A computerized method for automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein the customer payment instructions are sent from the customer directly to the invoicer, said method comprising the steps of:

(a) presenting customer billing data for customer review and requesting payment instructions relating to automated billing to said customer using an invoice presentation electronics; and

(b) receiving the customer billing data for customer review and the request for payment instructions from said invoice presentation electronics to said customer using a remote electronic customer authorization interface; and

(c) providing customer payment instructions from the customer in response to the request for payment instructions directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account.

98. A computerized method for automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer using a remote electronic customer authorization interface, wherein the customer payment instructions are sent from the customer directly to the invoicer, said method comprising the steps of:

(a) receiving customer billing data for customer review and a request for payment instructions from said invoicer;

(b) receiving customer payment instructions from the customer in response to said request for payment instructions from said invoicer; and

(c) transmitting the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account.

99. A computerized method for automated electronic invoicing and payment system for providing remote customer review of automated billing from an invoicer, wherein customer payment instructions are sent from the customer directly the invoicer, said method comprising the steps of:

(a) presenting customer billing data for customer review and requesting payment instructions relating to automated billing to said customer using an invoice presentation electronics;

(b) authorizing payment using a remote electronic customer authorization interface, said customer interface including: means for receiving customer billing data for customer review and a request for payment instructions from said invoicer, means for receiving customer payment instructions from the customer in response to said request for payment instructions from said invoicer; and means for transmitting the customer payment instructions from the customer to said invoicer, said interface adapted to: (i) receive the customer billing

data for customer review and the request for payment instructions from said invoice presentation electronics; (ii) provide the customer billing data for customer review and the request for payment instructions to the customer; (iii) receive customer payment instructions from the customer in response to the request for payment instructions; and (iv) transmit the customer payment instructions from the customer directly to said invoicer, said payment instructions including at least a customer invoice account number and an associated customer payment account; and

(c) transmitting the payment instructions to a payment source after customer review using said invoice presentment electronics.

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