

# Targeted Ad Insertion in Smart TVs Patent Portfolio

## Lone Star Technological Innovations, LLC

### Offering Memorandum

**DRAKES BAY COMPANY**

# Important Disclaimer

This document includes information regarding the sale of a valuable patent portfolio. The information, data, and charts are provided only for each prospective buyer's use in independently evaluating the assets. The discussion of the use or applicability of the assets is only for illustrative purposes. This document and any documents exchanged during the evaluation or sales process are not intended to be, and should not be interpreted as being, a notice of infringement, any form of accusation of infringement, or any opinion regarding the actual use of the patent portfolio.

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# Drakes Bay Company LLC

- Drakes Bay Company LLC is a leading patent and technology broker with \$69 Million in 57 patent transactions completed since 2007.
- The company has a strong track record of selling and buying technology patents worldwide and is an innovator in IP Debt/ Finance and new defensive services.
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# Lone Star Technological Innovations, LLC

- Oplus Technology was a fabless semiconductor company founded in 1993 and sold to Intel in 2005. Intel sold Oplus Technology in 2009. Lone Star acquired the portfolio from Oplus Technology.
- Portfolio Assets
  - 1 US patent, 3 Foreign Filings
  - Exemplary asset: US6301619
  - Evidence of use charts and licensing information available under NDA
- Lone Star has retained Drakes Bay Company to solicit interest in the purchase of the above assets.

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# Portfolio

- **US6301619** System and method for providing service of sending real time electronic information to selected individual viewers of transmitted video or computerized signals
- IL145196 Sending real time information to selected viewers of transmitted signals
- NZ513874 Sending real time information to selected viewers of transmitted signals
- JP2003523106 Transmission of real time information to the viewer where the signal which is transmitted is selected

**Bold face** denotes patents for which there are evidence of use charts available under NDA.

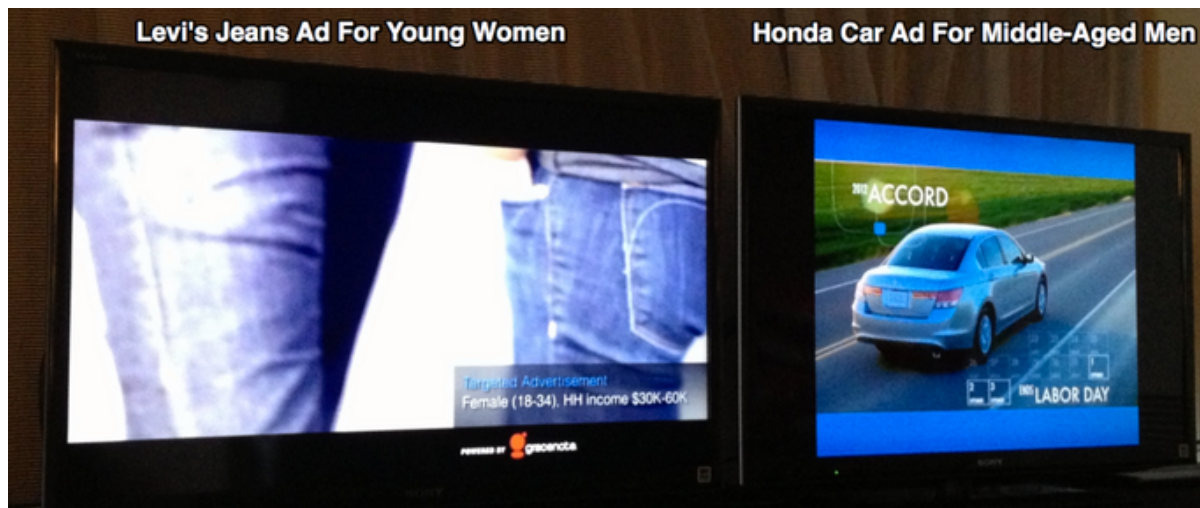
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# Targeted Ad Insertion

Exemplary Patent: US6301619 B1

System and method for providing service of sending real time electronic information to selected individual viewers of transmitted video or computerized signals

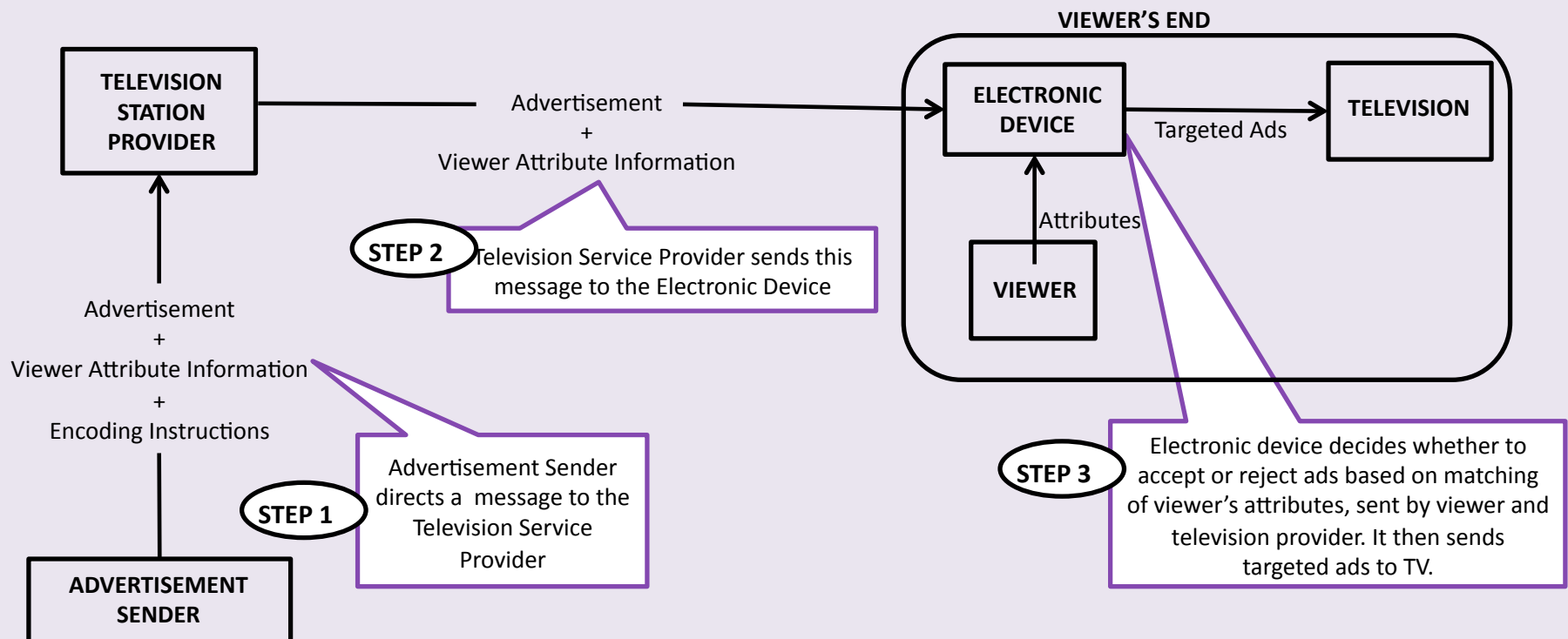
- The invention enables providers of electronic information to effectively target individual viewers of video or computerized signals during real time, cost-effectively with high accuracy.
- Following is an example of a targeted advertisement



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# Invention Overview of Targeted Ad Insertion in Smart TVs

The patent describes a method and system that enables targeted advertising to viewers. The pictorial representation below shows the process executed in the subject invention for delivering the targeted advertisements.



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# Markets and Licensing Opportunities

## Markets

- Internet advertising
  - Internet advertising revenues in the U.S. climbed to an historic high of \$12.4 billion for the third quarter of 2014, according to the IAB Internet Advertising Revenue Report. It is the highest quarter ever, besting the record-setting revenues of Q4 2013, which came in at \$12.1 billion. Q3 2014's milestone numbers represent a year-over-year uptick of 17% over the \$10.6 billion reported for the third quarter of 2013
- Smart TVs
  - Sales of smart TVs reached 90 million units worldwide in 2013 and will grow at 21% CAGR to reach 228 million in 2018. According to a report from Futuresource Consulting, Smart TVs will account for over half the TV market in 2014, rising to 82% of sales by 2018.



# Licensing Opportunities

- Ad Insertion Technology Customers
  - Roku, Tivo, SyFy (Gracenote)
  - CBC, BBC, Thomson/Reuters, Al Jazeera, Hearst Television, IPC Media, DirectTV (Yospace)
  - Verizon, Disney, ABC, ABC Family (Uplynk)
  - Starz, Showtime, Viacom, AMC, Al Jazeera (Brightcove)
  - NBC Universal, Fox Sports, Univision, Gray TV, Hearst Television, Post Newsweek (Anvato)
- Ad Insertion Technology Providers
  - GOOGLE/mDialog
  - Tribune Media Company/Gracenote
  - Brightcove
  - Anvato
  - Yospace
  - Uplynk
  - Opentv

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# Due Diligence

Questions	Answers
Have any universities, standards bodies, or government agencies provided any funding for development or commercialization of the IP, or otherwise been involved with any of the IP?	No
Is any of the IP subject to any joint development, joint venture, “work for hire”, or other collaborative effort with any third party?	No
Are there any related assets, including assets which may claim priority to the submitted IP, foreign counterpart applications, and/or lapsed or abandoned assets, which are not included in the sale or licensing offering?	No
Will selling entity retain any rights to the IP?	Yes – grant back license
Is the selling entity currently in good standing in the jurisdiction of its incorporation?	Yes
Can any third parties claim any ownership interest in any of the IP?	No

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# Bidding Procedures

- Drakes Bay Company is soliciting indications of interest and/or offers for purchase, license, or other commercialization structures from prospective purchasers, and providing additional information as requested throughout the offering process.
- Proposals should include discussion of any factors believed relevant to the acquisition, including:
  - Valuation: Indicate a value to be paid for the patent assets or any subset thereof;
  - Conditions to Closing: Describe any material conditions required to conclude the transaction, including any additional due diligence requirements; and
  - Timing: Indicate a preliminary timetable based on your acquisition team's availability and internal process for closing a transaction.
  - Bids are due 2 PM PT March 20, 2015.

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