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Executive Summary for the Sale of Hyper Alert Portfolio (TIP #506)

5 Assets Total - 6 Claim Charts



EXECUTIVE SUMMARY FOR THE PATENT SALE OF

Critical Notification and Information Management Systems

(4 Issued US Patents, 1 Issued Canadian Patent)

Patent Number	Title	Priority Date	Issue Date	Exp. Date *Extended	B/F Citations
US Patent No. 6,937,147	System and method for management of resources in emergency situations	Jan 24, 2003	Aug 30, 2005	Jan 24, 2023 *117 days	13/56 (cited 24x by IBM , 5x by Redxdefense LLC, Honeywell, AT&T)
US Patent No. 7,148,795	System and method for management of resources in emergency situations (Cont. of Appl. 10/350,833, now Patent '147)	Jan 24, 2003	Dec 12, 2006	Jan 24, 2023	12/4
CA Patent No. 2,514,011	Canadian counterpart to US Patent '147 and '795				
US Patent No. 7,623,027	System and method for management of resources in emergency and operational situations (CIP of Appl. 10/350,833, now Patent '147 and Appl. 11/188,394, now Patent '795)	Jan 24, 2003	Nov 24, 2009	Jan 24, 2023 *258 days	15/8
US Patent No. 8,068,020	Management of resources in emergency and operational situations (CIP of: Appl. 10/350,833, now Patent '147, Appl. 11/188,394, now Patent '795, Appl. 11/609,090, now Patent '027)	Jan 24, 2003	Nov 29, 2011	Jan 24, 2023	6/2

EoU: Claim charts on:

- Everbridge ([US Pat. No. 6,937,147](#), [US Pat. No. 7,623,027](#), [US Pat. No. 7,148,795](#))
- Cisco ([US Pat. No. 6,937,147](#), [US Pat. No. 7,623,027](#))
- Nice Situators ([US Pat. No. 6,937,147](#))
- Proximex (refer to claim charts on Cisco above)

Pricing Guidance: \$US mid to high six figures in an all cash sale. The seller is also open to alternative deal structures.

Submission deadline: Offers will be treated in the order they are received.

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 portfolio. The discussion of the use or applicability of the portfolio is only for illustrative purposes. This document and any documents exchanged during the 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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EXECUTIVE SUMMARY

1. The Opportunity

Tangible IP, LLC is a leading patent brokerage firm focusing on high value, quality portfolios with over 2000 assets sold since inception. We have been retained exclusively as the agent to divest the patent portfolio of **HyperAlert** in the **critical notification and information management market**.

The concept behind the patents arose out of a conversation between the inventors in October 2001 about the need for a “deployment control center” for critical notification and information management systems. In November the inventors incorporated HyperAlert, Inc. By December the basics of the patents were reduced to practice in a fully functional prototype (not shown publicly). Throughout 2002 the inventors refined the invention and arrived at a beta model later that year. The prototype is accessible at www.hyperalert.com. In January 2003, the inventors filed for the first patent in what would become a family of four complementary US patents.

The global critical notification and information management market is expected to grow at a [21.6% Compounded Annual Growth Rate \(CAGR\)](#), reaching [\\$6.41 billion](#) by 2018. The technology has been commercialized with substantial success, and its value is expected to grow within the relevant market.



The technology lets users automate mass distribution of communications, including distribution following preset communication scenarios. Available communications formats take advantage of modern unified communications devices: recorded voice, text-to-speech, text message and email. The technology provides extreme flexibility that makes it adaptable to any variety of circumstances. Users can customize and add modules within the system to suit their needs

The notification features protected by the patents are complementary and easy to use through a single window interface. Hence, the technology is more like an integrated, comprehensive communications process rather than a simple notification system. Markets for the technology include office buildings, hotels, schools, sporting venues, entertainment venues, shopping centers,

municipalities, airports and public transportation. Several commercial offerings are currently providing very similar technology, as described in the patents on offer.

2. The Patent Portfolio

The portfolio consists of **4 related, issued US patents** with 73 different issued claims that offer a solid thicket of protection for cloud based software-as-a-service technology for managing information distribution and communications. Without features offered by the solution, there is no effective way to manage and deploy resources and communications in critical circumstances. The portfolio also comprises a Canadian patent that is a counterpart to US Patents '147 and '795 and thus offers additional value and recourse to the new owner in a jurisdiction more favorable to patent owners these days.

The assets have excellent priority dates of 2003 and were cited extensively by industry leaders, including 24 times by IBM alone, a sure indicator of the patents' strong pedigree.

3. Detailed Portfolio Analysis

The patent assets describe a cloud based method for designing, managing, monitoring and executing resources and communications in critical situations. Deployment and notification can occur by pre-set event triggers or real-time decision making. One embodiment is video surveillance setups, managed from a central command center, that send alerts to mobile devices, initiate additional surveillance equipment or impose access security mechanisms when initiated by pre-configured events.

Specifically, the solution offers technology readily adaptable for any variety of uses by leveraging sophisticated capabilities.

- Parallel Processing - An example of parallel processing would be contacting a distinct user base with different information. For example, consider what actions would need to be taken if a hazardous spill was to occur. Hazmat teams may need to be contacted with specifics of the spill and specific procedures required to contain the spill. Simultaneously, local residents may be contacted to evacuate the area with evacuation instruction.
- Sequential Processing - The process to find a substitute teacher is a good example of sequential processing. If the "Find Substitute" plan is executed, the first prospective substitute is contacted. That contact would either respond "available", "not

available”, or they may just not respond all together. If they respond “available” then the process would stop with a substitute identified. If they respond “not available” or no response is received within a set timeframe, then the next prospect would be contacted. This could be repeated for all members of the group until success is achieved.

- Various Communication Channels – Any form of communication can be set for a given distribution. When executed any or all of text, voice, email, or other channels can be selected. These can also occur in sequence or in parallel (i.e. priority escalation).
- Internal or External (Public) Communication - The solution provides a method for communicating information via internal and external communication channels, as well as a public subscription base for customers to allow members of the public to access distributed information.

4. Power Rankings

A. Detectability of Evidence of Use

[Excellent]. It is easy to detect infringement for the patents on offer given the nature of the technology. There is no need to perform basic reverse engineering as the main feature of products that pertain to the portfolio are readily observable or described in the targets’ marketing and technical documentation.

B. Lack of Prior Art

[Excellent]. All of the patents on offer have priority dates extending back to 2003, thus significantly before widespread commercialization, patenting and monetization of modern mass notification and information management technologies. Note that Cisco, a leader in critical notification and information management, [did not release](#) a comprehensive solution until 2008, whereas Everbridge’s IT Alerting solution was not launched until 2014

C. Commercial Maturity

[Very good]. Mass notification and information management is a dynamic area of technology. The industry has and will continue to increasingly infringe on claims covered by the patents on offer. As a result, we believe this portfolio will continue to appreciate over time as more companies adopt its underlying approach.

D. Available Alternatives

[Very good]. The type of patent assets, their priority dates and impressive number of forward citations indicate that firms would need to use caution to avoid infringing on each and every claim covered by the portfolio. It would be difficult to avoid infringing some of the claims.

5. Encumbrances

There are no assignments, security interests or financial liens attached to the patent assets and the patent holder has a **clear title**. The seller will require a license grant back consistent with industry standards.

6. Market Trends

The market for critical mass notification and information management includes firms with revenue ranging from \$100 million to over \$1 billion per year. These players are both specialized entities, as well as larger corporations that develop comprehensive communications systems.

[Verint System](#) is consistently ranked among the top mass notification and information management firms in the world. Revenue in 2013 was over [\\$907 million](#), with [\\$508 million](#) drawn from the Americas. Verint draws 55%, 32%, and 13% of [revenue](#) from the sale of Enterprise Intelligence solutions, Communications Intelligence solutions, and Video Intelligence solutions, respectively.

[ADT Corporation](#) is the largest security firm in North America with [\\$3.3 billion](#) in annual revenue. The company holds 13% market share for small businesses in the US. ADT products and services often leverage [infrastructure](#) provided by Cisco.

[CompuCom](#) sells technology and services for cloud based physical security in the US and Canada. Revenue is [\\$1.33 billion](#) per year. In April 2014, CompuCom achieved the [status](#) of Authorized Technology Provider for Cisco physical security products.

[ATI Systems](#) offers mass notification and critical response technology and services for every sector. Annual revenue is estimated at [\\$600 million](#). The firm's integrated alert system incorporates unified communications integration leverage by the leading firms in the market.

7. Evidence of Use

[Everbridge](#) (formerly known as 3n Global and the National Notification Network) is an American emergency communication systems company based in California. It began operations in 2002. Everbridge claims to have close to 3000 clients world-wide, including several Fortune 500 companies. In an emergency, Everbridge sends messages via telephone, text message and email, but stops once they know that a person has read a message. An app allows emergency managers to track geotagged tweets that contain specific hashtags and use this information to respond to incidents as they occur. In 2014, it achieved record financial and market results, its third successive year of double-digit

growth. Fueled by multiple new solutions and the addition of over 400 new customers in 2014, the company delivered year-over-year total bookings growth of over 40%. According to the company's website, Everbridge has now achieved 18 consecutive quarters of year-over-year bookings growth. One of Everbridge's flagship products is [IT Alerting](#) which it launched in 2014.

- (See corresponding claim charts for US Patents [6,937,147](#), [7,148,795](#) and [7,623,027](#))

Cisco [Physical Security Operations Manager](#) (PSOM) falls within Cisco's Security and Other P&Ls that contribute a total of 5.3%, or [\\$2.01 billion](#) to the firm's annual revenue. PSOM is described as a "unified console" to control security events, equipment and operations. Cisco is dedicated to its security offerings, often [integrating](#) critical notification and information management with unified communications solutions. There are over 50 certified vendor [partners](#) for Cisco's line of physical security products, including PSOM.

- (See corresponding claim charts for US Patents [6,937,147](#) and [7,623,027](#))

NICE makes [\\$583 million](#) per year in revenue from a combination of product and service offerings. In the second quarter of 2014, NICE reported [\\$239 million in revenue](#), setting it on course to beat 2013 earnings. NICE Situitor has been ranked among the top critical notification and information management firms in the world. The technology is an automated resource management, deployment and information management tool that enables central command for physical security.

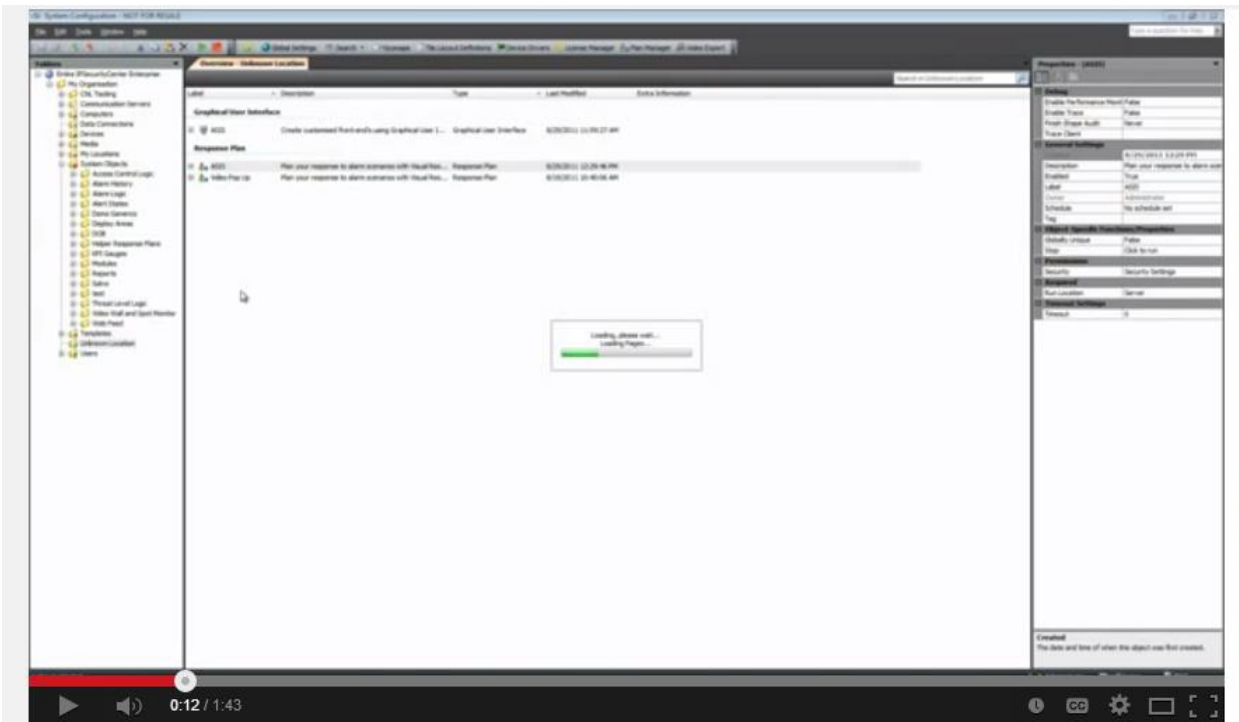
- (See corresponding claim chart for US Patent [6,937,147](#))

Proximex was acquired by **Tyco** Integrated Security (the former parent company of ADT) in 2011, thereby increasing its global market footprint. Since the acquisition, Proximex has enjoyed [122% year-over-year revenue increases](#). Proximex is a Cisco Advanced Technology Partner, and releases a user guide for [Surveillint](#), a physical security integration product, that contains information identical to that in Cisco manuals.

(Please refer to [user guide for Surveillint](#) which integrate the Cisco solution)

CNL Software develops integrated situational awareness technology for physical security and information management. The firm operates globally, with focus on Europe, North America and the Middle East. The firm's [IPSecurityCenter](#) provides the kind of integrated security command center covered by the portfolio. Although no documentation published by the company was found, several videos/slides suggest that IpSecurity Center practices all claimed elements: response plan design, user profiles, security alerts, location correlation, reports, etc.









See screenshots below:



IPSecurityCenter Response Plan Designer



CNL
Crisis Management and Process Guidance

 10:02:12	An alarm is triggered from the PIDS at a large critical infrastructure facility.	START 1
 10:02:18	IPSecurityCenter™ instantly confirms that this is not a false alarm by aggregating data such as time of day, location of security teams, routine maintenance schedules etc. It also prioritizes the alarm based on security risk.	2
 10:02:23	The nearest camera automatically pans to the location of the alarm to allow visual verification. IPSecurityCenter's on-screen Process Guidance asks the operator to verify the incident using this live video.	3
 10:02:28	A breach is identified, the operator is prompted to confirm the incident from a provided list. "Fence Breach" is selected prompting the GPS tracking and GIS mapping to automatically highlight the nearest response team to the incident. Instant communication is enabled with them using on screen controls for radio and SMS messaging. Live video from the vehicle is fed back to Control.	4
 10:02:36	Control has constant communications and live video to allow real-time guidance to manage the response team according to standard operating procedures (SOPs).	5
 10:04:15	A package is found. Emergency services are called to assist in resolving the situation, live video means an accurate description can be given, allowing the correct emergency service resources to be sent.	6
 10:04:20	On screen guidance instructs the operator to evacuate the facility. Integrated controls allow automated crisis communications messages to be delivered via the internal audio system, SMS messaging, VoIP, and via screens in communal areas. The operator uses CCTV and radio communications with the fire marshal to confirm when this has been completed.	7
 10:04:25	The incident is rapidly resolved using these SOPs which ensure compliance to organizational and government instigated policies for risk mitigation and future auditing purposes. An incident report is automatically generated and the incident is recorded for future process improvements and ongoing risk analysis.	END

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8. Related Patent Assertion

Patent assets are critical as offensive and defensive weapons in the emergency notification and information management market. A search in the relevant classes returns thousands of issued and pending patent assets. Patent owners range from major communication systems developers, telecommunications providers, specialized technology firms and NPEs. These parties have been involved in patent litigation and cross-licensing, demonstrating that patents are important in the competitive landscape. Strategic patent positions can strengthen firms, while lack of patent assets may be detrimental.

Everbridge is aggressive in filing for [patent assets](#), as well as [defending](#) itself against patent lawsuits. In 2013, Everbridge was the target of a patent lawsuit filed by 911 Notify LLC, an NPE. 911 Notify acquired US Patent [6,775,356](#) (Real-time incident and response information messaging INA system for the automatic notification that an emergency call has occurred from a telecommunication device)

in 2013 and subsequently filed lawsuits against firms like BMW, Cassidian, Ford, Intrado and OnStar. The firm's only patent asset may be [6,775,356](#): (Real-time incident and response information messaging INA system for the automatic notification that an emergency call has occurred from a telecommunication device). The patent was re-assigned to 911 Notify in Feb 2013.

In 2009, Everbridge, and other firms including Twitter, Federal Signal and Rave Wireless, were the target of a lawsuit filed by Cooper Notification. The patent at issue, [7,409,428](#) (Systems and methods for messaging to multiple gateways) was found [not infringed](#) by the defendants.

[TechRadium](#) holds 12 patents in the critical notification and information management market. It has a [cross-licensing](#) agreement with Blackboard Inc., and has sued Twitter, AtHoc, Twenty First Century Communications and others for patent infringement. Overall, TechRadium has been involved in over a [dozen](#) patent lawsuits. Blackboard may have been able to negotiate a cross-licensing agreement due to its portfolio of 9 pending and issued patents.

9. Other Potential Licensing Opportunities

In addition to firms described in the Market Trends and Evidence of Use sections, the following firms will potentially find the assets on offer valuable or may implement their features in future products and services.

- | | | |
|---|---------------------------------|--|
| • AT&T | • Honeywell | • Synergem Emergency Communications, LLC |
| • AtHoc | • IBM | • TechRadium |
| • Blackboard | • MessageOne (bought by Dell) | • TeleCommunication Systems, Inc. |
| • Cassidian Communications | • MIR3 | • Twenty First Century Communications |
| • CNL Software | • Mircom Group of Companies | • Twitter |
| • Cooper Notification | • Omnilert | • Tyco Integrated Security |
| • Emergency Communications Network (ECN – owned by The Riverside Co.) | • Send Word Now | • United Technologies |
| • Everbridge (formerly 3N) | • Siemens | • Varolii |
| • Federal Signal | • Singlewire Software | • Xmatters |
| • Global AlertLink | • SunGard Availability Services | • Guardly |

10. Targeted Price

In light of the number of assets involved, early priority date of the most relevant assets, wide scope of applications and substantial evidence of use of the patent portfolio, we offer a price guidance of **\$US mid to high six figures** in an all cash sale. The seller is also open to alternative deal structures.

11. Sale Structure and Submission Deadline

The portfolio is only offered to a limited number of potential buyers. There are no submission deadlines. Offers will be treated in the order received in writing. Assets will be taken off the market once a PPA has been executed and buyers will be given a reasonable period to complete the closing.

12. Contact Information

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