

DECISIONS & SETTLEMENTS

McAndrews, Held & Malloy Secures Victory for Client Stryker Corporation
McAndrews, Held & Malloy announced litigation success for its client **Stryker Corporation** (NYSE: SYK), one of the world's leading medical device companies, in a case involving surgical plates used to fix broken wrist bones. The U.S. District Court for the Central District of California, Western Division, granted summary judgment of invalidity on behalf of Stryker concerning the patent infringement lawsuit brought by **TriMed, Inc.**

TriMed had alleged that Stryker's Universal Distal Radius and VariAx Distal Radius plate systems infringe TriMed's U.S. Patent No. **5,931,839**. The District Court ruled that the asserted claims of the '839 patent are invalid because they would have been obvious in light of prior art.

KV Pharmaceutical Company, Purdue Pharma L.P. Settle OxyContin Dispute

KV Pharmaceutical Company (NYSE: KVa; KVb) of St. Louis, MO., announced it has entered into a settlement agreement with **Purdue Pharma L.P.** of Stamford, Conn., in regard to the patent infringement lawsuit between the two companies. Under the terms of the settlement agreement, KV Pharmaceutical Company acknowledges that Purdue Pharma's OxyContin patents are valid and enforceable and infringed. In exchange, Purdue will grant KV Pharmaceutical Company certain limited non-exclusive, royalty-bearing, non-transferable rights to sell in the United States generic versions of the drug OxyContin (oxycodone HCl controlled-release) for a limited period of time. The Companies have agreed to continue to discuss the final location for the manufacturing of this product.

Federal Court Rules CEIVA Patent Is Infringed by Frame Media

CEIVA Logic, Inc., (CEIVA) the leading provider of photo sharing services and connected digital photo frames, announced that a Los Angeles Federal District Court

has ruled that **Frame Media, Inc.** (Frame Media) infringes CEIVA's patent relating to its digital photo sharing system. The court found that Frame Media's use of its "FrameChannel" service to distribute images to connected photo frames violates CEIVA's US Patent No. **6,442,573** entitled, "Method and Apparatus for Distributing Picture Mail to a Frame Device Community."

Frame Media has a web-based photo sharing service called FrameChannel, and partners with digital frame manufacturers that make FrameChannel compatible frames. Frame Media uses its FrameChannel service to send photos, ads, and other images to those frames, and FrameChannel users agree to display the advertisements Frame Media sends to their frames.

In May 2009 CEIVA filed a motion for summary adjudication alleging Frame Media directly infringed CEIVA's patent by using the FrameChannel service to send images to connected photo frames. CEIVA alleged Frame Media unlawfully used an infringing system every time it used its FrameChannel photo sharing service to send image data to a FrameChannel-compatible frame. The Court agreed with CEIVA, holding that Frame Media was using its Frame Channel service to distribute images to connected frames in a manner that violated CEIVA's patent, and that CEIVA was entitled to a judgment against Frame Media as a matter of law.

In a related decision, Frame Media lost its bid to have the US Patent Office reexamine one of CEIVA's key patent claims that the Court ruled is infringed by Frame Media. In rejecting Frame Media's reexamination request on that claim, the US Patent Office determined that there was, "no substantial new question of patentability," and denied Frame Media's request.

Priviam and EncryptaKey Resolve Patent Litigation

Priviam and **EncryptaKey** announced that they have reached an agreement, resolving a lawsuit that claimed that Priviam had certain rights to the patents pending held by EncryptaKey.

The Priviam lawsuit, originally filed on July 19, 2008 in the California Superior Court of Orange County, California, sought damages and injunctive relief against former CEO Kelly Owen, Owen Consulting LLC and EncryptaKey, a Nevada corporation.

All allegations directed at former CEO Kelly Owen, Owen Consulting, LLC and EncryptaKey, a Nevada corporation, have been fully and finally dismissed in exchange for a return of shares and permanent and irrevocable contractual rights to use subject patents. Although EncryptaKey will retain ownership of the patents pending, Priviam will be granted immunity from EncryptaKey for World Wide use of the patents. As a condition of the settlement, no party to the lawsuit admitted any liability.

Joseph Abboud Wins Appeal

In a stunning reversal for **JA Apparel Corp.**, the U.S. Second Circuit Court of Appeals has vacated the injunction prohibiting its former fashion designer **Joseph Abboud** from using his name "commercially" and remanded its case for further proceedings before the U.S. District Court for the Southern District of New York. Mr. Abboud says he feels vindicated by the Circuit Court's reversal and confident that given the guidance provided by the Circuit Court's detailed opinion on the sale of his trademarks and the use of his name in his own business, he will prevail on the remand to the District Court.

The Circuit Court's decision arises out of a hotly contested dispute between Mr. Abboud and JA Apparel Corp. as to whether Mr. Abboud's sale of his eponymous trademarks included the use of his name to identify himself, professionally, in connection with his commercial activities; and, if not, whether federal trademark law afforded him "fair use" of his "individual name in his own business", notwithstanding his prior sale of such eponymous trademarks.

The Circuit Court's decision confirmed that "[t]here is no provision in the Sale Agreement conveying 'all of Abboud's rights to use his name for commercial purposes'" and that "nothing . . . stated in words that Abboud could not make non-trademark

use of his name in connection with his new creations.” Thus, the Circuit Court rejected JA Apparel Corp.’s argument that the Sale Agreement “unambiguously” conveyed “all of Abboud’s rights to use his name for commercial purposes.” Moreover, the Circuit Court noted “the fact JA [Apparel Corp.] paid a large price for the Joseph Abboud brand (and existing licensing agreements) does not necessarily mean that JA purchased the right to prohibit Abboud from using his name to refer to himself in a non-trademark sense.”

However, given the conflicting readings of the Sales Agreement created by the rules governing contract interpretation, the Circuit Court ordered a remand; so the District Court could consider evidence of the parties’ intentions outside the Sale Agreement to better understand the terms used in the Agreement.

Further, with respect to Mr. Abboud’s proposed use of his name to identify himself in connection with his own business, the Circuit Court acknowledged that Mr. Abboud’s proposed use of his name has “a descriptive component” and then went on to say that “Abboud was not attempting to confuse”, but “attempting to distinguish his clothing from that of JA [Apparel Corp.]” by “advis[ing] consumers that he is the source of his new ‘jaz’ line.”

However, with respect to Mr. Abboud’s proposed advertising, itself, the Circuit Court ordered a remand; so the District Court could consider the actual use of his name in the mock-up ad copy introduced into evidence.

Finally, the Circuit Court criticized the sweeping injunctive relief granted by the

District Court by saying that “an injunction of [the] scope . . . originally entered would seem to be inappropriately broad.

NEW LAWSUITS

LML Patent Corp. Files Patent Infringement Suit Against Six Defendants

LML Patent Corp. (“LML”), a wholly-owned indirect subsidiary of **LML Payment Systems Inc.** (the “Corporation”) (Nasdaq: LMLP), filed suit in the U.S. District Court for the Eastern District of Texas against **National Bank of Daingerfield, PlainsCapital Bank, Southside Bank, First Bank, The American National Bank of Texas** and **American Bank of Texas** who provide equipment, systems and services that convert paper checks into electronic transactions.

In the suit, LML alleges that the defendants infringe U.S. Patent No. **RE40,220**. LML is seeking damages, injunctive and other relief for the alleged infringement of these patents.

ION Files Patent Infringement Lawsuit Against WesternGeco

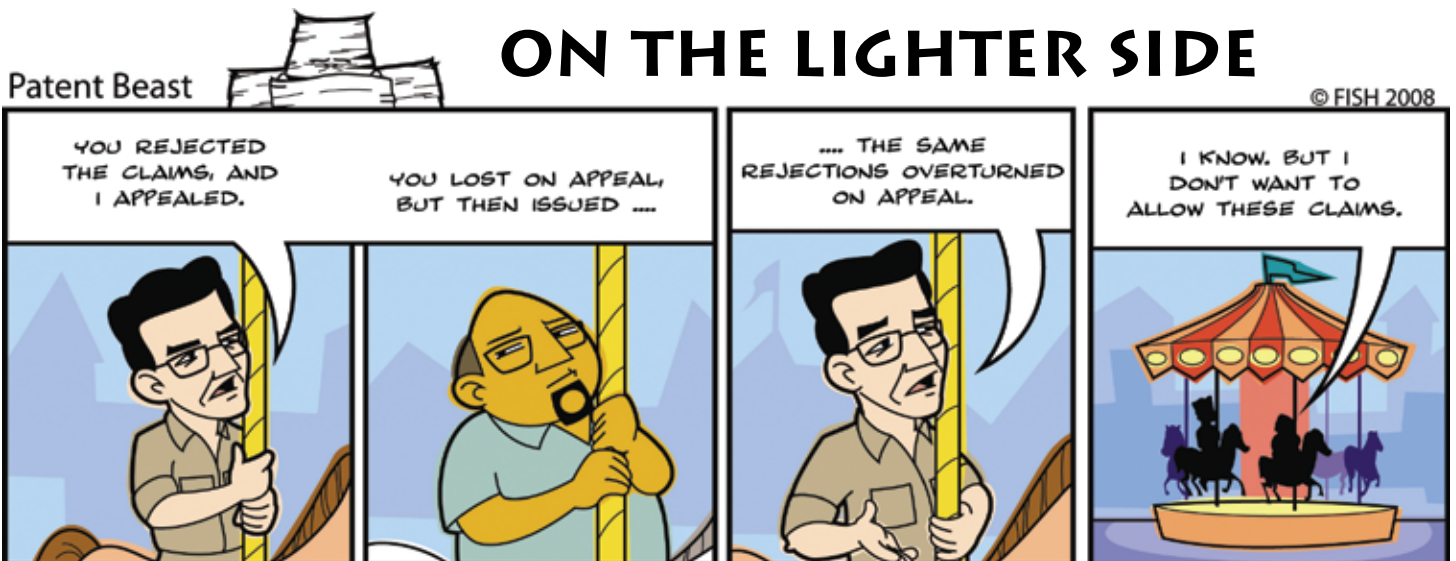
ION Geophysical Corporation (NYSE: IO) announced that it has filed a lawsuit against **WesternGeco L.L.C.** in the United States District Court for the Southern District of Texas. The lawsuit alleges that WesternGeco’s Q-Marine system, components and technology infringe ION’s U.S. Patent No. **6,525,992** related to steering devices and control systems for marine seismic streamers. The lawsuit also alleges that WesternGeco misappropriated ION’s proprietary technology by using ION’s tech-

nology in its patents and products, tortiously interfered with ION’s customer contracts, and breached a confidentiality agreement between the parties. ION is asking the court to enjoin WesternGeco from making, selling, or using its Q-Marine system and components and any other infringing products, as well as for monetary damages.

ION filed the lawsuit after attempts to negotiate a licensing arrangement with WesternGeco were unsuccessful and WesternGeco filed a preemptive lawsuit against ION, claiming that ION infringed several patents that were issued to WesternGeco after ION’s ‘92 patent was issued. In response to the lawsuit filed by WesternGeco, ION has asked the court to declare that the WesternGeco patents are not infringed and are invalid. ION is also asserting that the lawsuit against it by WesternGeco is an illegal attempt to restrict competition in the market for marine seismic surveys performed using laterally steerable streamers. Based on ION’s review of the lawsuit and the patents at issue, ION believes that the claims brought by WesternGeco are without merit and intends to defend the claims against it vigorously.

Aperio Files Patent Infringement Lawsuit Against Olympus America, Hamamatsu Corporation and Hamamatsu Photonics

Aperio Technologies, Inc., (Aperio), a global leader in digital pathology for the healthcare and life sciences industry, announced that it has filed suit for patent infringement against **Olympus America, Inc., Hamamatsu Corporation** and **Hamamatsu Photonics KK** (together,



Hamamatsu). The lawsuit, filed in the United States District Court for the District of Delaware, alleges that Hamamatsu's NanoZoomer digital pathology system distributed by Olympus America infringes three United States patents issued to Aperio.

Aperio's complaint accuses Olympus America and Hamamatsu of infringing three Aperio patents relating to digital pathology. The three patents asserted in the lawsuit are: United States Patent No. **6,917,696** entitled "Fully Automatic Rapid Microscope Slide Scanner," United States Patent No. **7,457,446** entitled "Fully Automatic Rapid Microscope Slide Scanner," and United States Patent No. **7,518,652** entitled "Method and Apparatus for Prefocus in a Linear Array Based Slide Scanner."

PATENTS ISSUED

Micronics Receives Patent on Rapid Thermocycling Methodology for Molecular Diagnostics

Micronics, Inc. announced that it has been issued a letters patent from the United States Patent and Trademark Office (USPTO) for a system and method for performing rapid thermocycling on a microfluidic device. The new patent has broad utility across the life sciences sector with particular application in point of care molecular diagnostics.

The patent is entitled "System and method for heating, cooling and heat cycling on a microfluidic device," and is USPTO number **7,544,506** (the '506 case). The newly issued patent identifies an integrated system for performing a complete polymerase chain reaction (PCR) temperature cycle in less than 15 seconds using a

microfluidic device that is made of lowest cost plastics.

AllTrust Networks Granted Electronic Depositing Patent

AllTrust Networks, the leading biometric check cashing and identity management service, announced that the company has been issued a patent for its electronic deposit (Check 21) processing feature.

U.S. patent **7,520,422** (filed in January 2005) covers systems and methods for electronic depositing negotiable instruments (e.g. paper checks). The invention covers a process by which a 3rd-party paper check is imaged by the acceptor along with consumer identification and electronically sends the data to a depository bank after which the funds are transferred to the acceptor's local bank.

The Check Clearing for the 21st Century Act ("Check 21") was passed and became effective October 28, 2004 so that check images could clear through the banking system without the need for the paper checks to be presented back to the paying institution. Retailers accepting 3rd-party checks have implemented Check 21 in order to streamline the depository process, reduce check handling costs, and speed the funds settlement process.

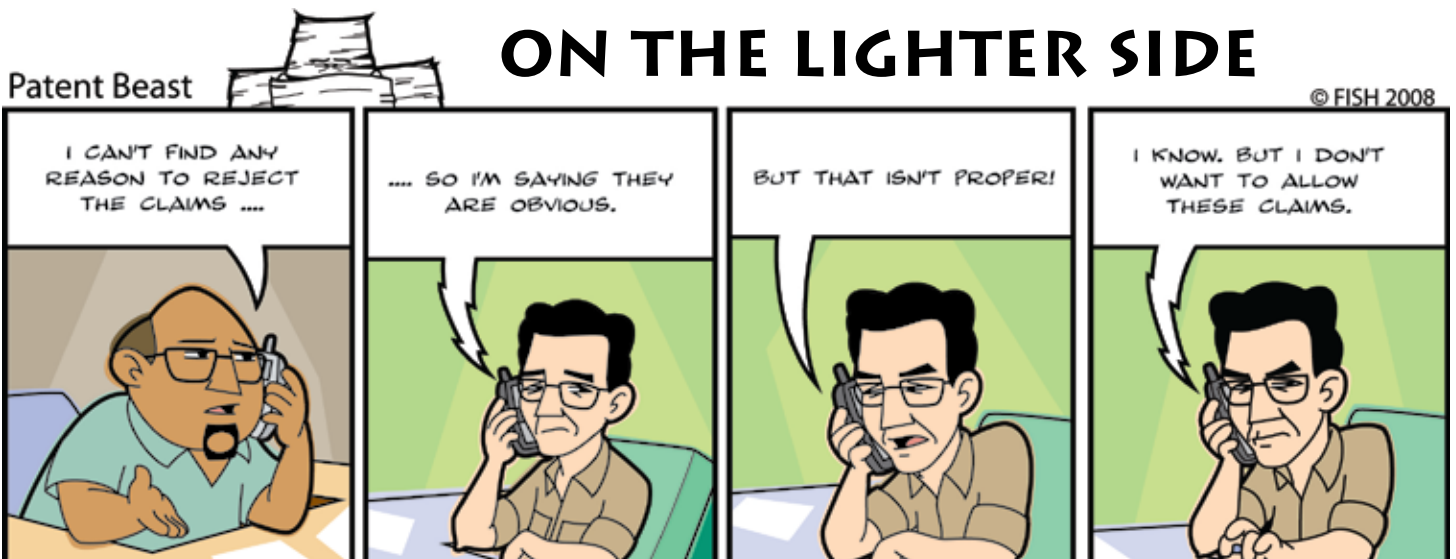
AVEO Pharmaceuticals Granted Patent for Predictive Biomarker Used to Identify Human Tumors Likely to Respond to Notch Pathway Inhibition

AVEO Pharmaceuticals, Inc., a biopharmaceutical company leveraging breakthrough discoveries in cancer biology to discover, develop and commercialize targeted oncology therapies, announced that

the United States Patent and Trademark Office granted to AVEO U.S. Patent No. **7,544,476**. This patent covers the use of the expression level of a single gene, HeyL, as a predictive biomarker to identify human tumors that are likely to respond to treatment with inhibitors of the Notch pathway, thus adding to the intellectual property surrounding AVEO's proprietary and translational biology platform.

MicroFluidic Systems Receives Patent for Method to Selectively Process Different Biological Cell Types for Analysis

Microfluidic Systems, a privately-held company, announced that they received patent number **7,541,166**, entitled "Sonication to Selectively Lyse Different Cell Types". This method, originally applied to the process of differential extraction of male/female DNA from a mixed forensic sample, has broad application in a wide variety of biological sample processes for analysis and identification. Combined with the companion patent number **7,491,527**, "Microfluidic Differential Extraction Cartridge", it provides a complete solution to automate this complex sample processing method. The differential extraction technique is a key step in the identification of the perpetrator's DNA of a rape from a forensic sample. Performing this method in a closed, disposable, and automated cartridge ensures sample integrity and prevents human error, which is important to providing legal evidence in pursuing crimes. Similar requirements are pervasive in all biological sample processing applications.



**Raptor Networks Technology Notes
Issuance of Two Additional Patents
in Distributed Fabric Architectures
and Virtualized Systems**

Raptor Networks Technology, Inc. (OTCBB: RPTN), provider of the world's first distributed fabric network and systems architectures, reports the issuance of two new patents by the United States Patent and Trademark Office. Patent Number **7,548,545** titled "Disaggregated Network Management" and Patent Number **7,548,556** titled "Secure Communication through a Fabric" extends Raptor's original Patent position in distributed fabric network switching into cyber-resilient fabrics and communications fabrics.

APPLICATIONS FILED

**ImmunoCellular Therapeutics
Announces Filing of Key Patent
Application Relating to Cancer Stem
Cell Technology**

ImmunoCellular Therapeutics, Ltd. (OTC: IMUC.OB) (IMUC), a biotechnology company, announced the filing of a provisional U.S. patent application relating to its novel vaccine technology targeting cancer stem cells. The patent application relates to new peptide candidates that may significantly expand the potential target patient population for the company's cancer stem cell vaccine product candidate, ICT-121. Many cancer therapies are limited by their ability to be used only in patients with certain human leukocyte antigen (HLA) types. Identification of the new peptides for use in IMUC's vaccine should enable the use of IMUC's product candidate in patients with many different HLA types. The Company currently has 25 issued or pending patents.

**Cascadia Investments, Inc. to Seek
Patent Protection for TinyTwirp.com**
Cascadia Investments, Inc. (PINKSHEETS: CDIV) announced that it will seek a provisional patent for www.TinyTwirp.com, which was recently acquired by its Internet division.

This action will protect the company's investments as it moves forward with its marketing plans. While the provisional patent paperwork is being finalized, the company will target likely candidates for licensing agreements.

www.TinyTwirp.com is an instant messaging client that allows preteens to communicate safely without their personal information being shared. We expect this

feature alone will make this a very popular product with parents concerned with the predatory nature of the Internet as this technology provides a safe harbor for children using the Internet.

**PowerSat Files Patent That
Accelerates Viability Of Space Solar
Power (SSP) Satellite Systems**

PowerSat Corporation (www.powersat.com), a pioneer in safe and reliable energy generation from space, today announced the filing of U.S. Provisional Patent No. 61/177,565 or "SPACE-BASED POWER SYSTEMS AND METHODS." The patent includes two technologies, BrightStar and Solar Powered Orbital Transfer (SPOT), which enable the reduction of launch and operation costs by roughly \$1 billion for a 2,500 megawatt (MW) power station.

LICENSING AGREEMENTS

**Orexigen Therapeutics Announces
In-Licensing of Key Patents to
Further Strengthen its Intellectual
Property Estate for Contrave**

Orexigen Therapeutics, Inc. (Nasdaq: OREX), a biopharmaceutical company focused on the treatment of obesity, announced the licensing of certain intellectual property (IP) from **GlaxoSmithKline** (GSK) that expands the Company's IP position underlying Contrave, its lead product candidate for the treatment of obesity.

In exchange for undisclosed upfront and future milestone payments, Orexigen secured non-exclusive rights to certain formulation patents related to bupropion, one of the constituents of Contrave. The transaction is not expected to materially impact the Company's financial position. Top line results of the first of four Phase 3 clinical trials for Contrave, NB-302, were announced January 2009. Results from the three other Phase 3 clinical trials (NB-301, NB-303, NB-304) are expected to be announced in the third quarter of 2009. Pending positive results, the Company is on track to submit a New Drug Application (NDA) with the FDA in the first half of 2010.

**EdgeCast Inks Strategic
Partnership with Web.com**

EdgeCast Networks, the superior, cost-effective rich media content delivery network (CDN), announced it had signed services and intellectual property licensing agreements with **Web.com** (Nasdaq: WWW) a leading provider of online

marketing for small businesses. Under the services agreement, EdgeCast is providing global CDN services for Web.com, including landing page acceleration, origin and edge storage, advanced analytics, and content security.

The intellectual property agreement grants EdgeCast a license for more than thirty issued and pending patents covering a broad range of methods and techniques including: display and delivery of rich media; unique storage systems; automated hosting and server management; load balancing technology; and dynamic DNS technologies. The patent applications date as early as 1994.

NOTICE OF ALLOWANCE

**Neuralstem Receives Patent
Allowance for Compounds That
Promote Neurogenesis**

Neuralstem, Inc. (NYSE Amex: CUR) announced today it received a notice of allowance from the U.S. Patent and Trademark Office (USPTO) for a patent on four new chemical entities that boost the generation of new neurons. Patent application 12/049,922, entitled "Use of Fused Nicotinamides to Promote Neurogenesis," claims four chemical entities and any pharmaceutical composition including them.

LAWSUIT UPDATE

**Rambus Moves to Withdraw
Patents From ITC Proceedings
Against NVIDIA**

NVIDIA announced that **Rambus** has asked an administrative law judge at the International Trade Commission (ITC) to terminate the investigation of **NVIDIA** relating to four patents stemming from a complaint filed in November 2008. Rambus has conceded that **NVIDIA** products do not infringe on its four patents before the ITC, and has also asked for termination of several claims from a fifth patent in the ITC action.

The current ITC litigation originally included nine patents involving memory controllers related to graphics processors. On June 2, 2009, **NVIDIA** publicly announced that the U.S. Patent and Trademark Office (USPTO) had rejected 41 claims, in seven patents, which Rambus had asserted in the ITC action against **NVIDIA**. **IP**