

DOWELL BAKER

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BRIAN P. LYNCH
REGISTERED PATENT AGENT

VIA FEDERAL EXPRESS

July 19, 2010

Mr. Ralign Wells
Maryland Transit Administration
6 St. Paul St.
Baltimore, MD 21202-1614

TAO

JUL 22 2010

received

Re: Arrival Star S.A. and Melvino Technologies Limited
Licensing Proposal for U.S. Patent Nos. 6,317,060 and
7,030,781
Our File No. DB166

**FOR SETTLEMENT PURPOSES ONLY
PURSUANT TO FRE 408**

Mr. Wells:

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 Nos. 6,317,060 ("the '060 patent"), 7,030,781 ("the '781 patent"), and thirty-two 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 copies of the '060 and '781 patents for your reference.

The Maryland Transit Administration's alert notification system infringes claims of the '060 and '781 patents, and likely other patents in the ArrivalStar portfolio. I am writing in the hopes of amicably resolving this issue and to offer MTA 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 80 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 '060 and '781 patents, we hope that MTA 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 '060 and '781 patents, 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 MTA's alert system infringes claims of the '060 and '781 patents, as well as several others of the ArrivalStar Patents. We generally direct your attention to claim 9 of the '060 patent and claims 1-8 of the '781 patent.

Our analysis indicates that MTA's infringement is not merely incidental. MTA's alert tracking system implements core features of ArrivalStar's patented technology. The system monitors travel data associated with the vehicles, comparing this data with planned timing data of particular locations along the vehicle's route. The system then contacts users via mobile devices before the destination is reached along the route. The information the user receives is in regard to the change in the planned timing of the route. Please see claims 1 and 3 of the '781 patent.

U.S. Pat. No. 6,317,060 Claim 9	MTA Alert System																								
A system for notifying users of impending arrivals of vehicles at particular locations, comprising:	<p>MTA's alert system notifies users about the impending arrival of a plurality of vehicles, notifying users of the location of their vehicles.</p> <div data-bbox="761 1234 1571 1318" style="border: 1px solid black; padding: 5px;"> <p>Sign up here to receive the latest information about delays, service disruptions and schedule changes as well as occasional rider newsletters. MTA has temporarily suspended notifications for Local Bus, Light Rail and Metro while we work to ensure messages are accurate and timely. If you are already registered you will automatically be signed up again.</p> </div>																								
a database storing data associated with a plurality of vehicles;	<p>MTA's alert system includes line/route information for a plurality of vehicles.</p> <div data-bbox="877 1419 1455 1524" style="border: 1px solid black; padding: 5px;"> <p>57 bus lines travel in Baltimore City and Baltimore, Anne Arundel, Howard and Harford counties.</p> <p>How many cars make up the MARC?</p> <p>102 rail cars and 32 locomotives.</p> </div>																								
a route handler configured to analyze said data and to select portions of said data that are associated with notification events expected to occur during a particular time period;	<p>MTA's alert system allows users to select specific periods of time in which notification events are expected to occur.</p> <div data-bbox="761 1646 1571 1856" style="border: 1px solid black; padding: 5px;"> <p>When do you want to be contacted?</p> <table border="0"> <tr> <td>Day of the Week</td> <td>Time Range</td> <td>Contact</td> </tr> <tr> <td><input type="checkbox"/> Sunday</td> <td>7:00 am to</td> <td><input checked="" type="checkbox"/> db2010as@gmail.com (H)</td> </tr> <tr> <td><input checked="" type="checkbox"/> Monday</td> <td>9:00 am to</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Tuesday</td> <td></td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Wednesday</td> <td>or</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Thursday</td> <td><input type="checkbox"/> All Day</td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> Friday</td> <td></td> <td></td> </tr> <tr> <td><input type="checkbox"/> Saturday</td> <td></td> <td></td> </tr> </table> </div>	Day of the Week	Time Range	Contact	<input type="checkbox"/> Sunday	7:00 am to	<input checked="" type="checkbox"/> db2010as@gmail.com (H)	<input checked="" type="checkbox"/> Monday	9:00 am to		<input checked="" type="checkbox"/> Tuesday			<input checked="" type="checkbox"/> Wednesday	or		<input checked="" type="checkbox"/> Thursday	<input type="checkbox"/> All Day		<input checked="" type="checkbox"/> Friday			<input type="checkbox"/> Saturday		
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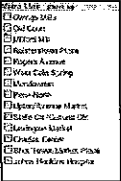

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<p>a schedule monitor configured to analyze said selected portions of said data during said particular time period and to disregard other portions of said data during said particular time period</p>	<p>MTA's alert system monitors the travel of vehicles during user selected times. The MTA system is configured to disregard travel data indicating delays of less than a minimum time. (i.e. no notification of delays less than 15 minutes.)</p> <div data-bbox="740 594 1605 674" style="border: 1px solid black; padding: 5px;"> <p>Contact Window Information We know that not everyone commutes at the same time. This page lets you tell us when you want to be contacted about your commute</p> </div>								
<p>said schedule monitor further configured to determine when at least one of said notification events should occur based on said selected portions of said data and to transmit a notification request in response to a determination by said schedule monitor that said at least one notification event should occur; and</p>	<p>The MTA alert system is configured to analyze travel data and transmit an alert notification upon the determination that vehicles are delayed.</p> <div data-bbox="740 930 1605 1350" style="border: 1px solid black; padding: 5px;"> <p>You may enter up to six e-mail addresses that can receive notifications. Please indicate what type of contact each address is (e-mail, cell phone, pager, etc.) and what style message you would like to receive (web based HTML or plain text or short message). Each device must be set up so that it can receive e-mail messages.</p> <p>Click Add Contact Address to add another e-mail address. You may also wish to send yourself a test message to be sure that everything is working well.</p> <p>If a contact is inactive, you may reactivate it by clicking Send Test Message.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Contact Type</th> <th style="text-align: left;">E-Mail Address</th> <th style="text-align: left;">Message Style</th> <th></th> </tr> </thead> <tbody> <tr> <td style="text-align: left;">Mobile</td> <td style="text-align: left;">[]-[]-[] Alltel</td> <td style="text-align: left;">Text</td> <td style="text-align: right;">Send Test Message</td> </tr> </tbody> </table> </div>	Contact Type	E-Mail Address	Message Style		Mobile	[]-[]-[] Alltel	Text	Send Test Message
Contact Type	E-Mail Address	Message Style							
Mobile	[]-[]-[] Alltel	Text	Send Test Message						
<p>a communication handler configured to receive said notification request and to transmit a notification message in response to said notification request.</p>	<p>The MTA Alert system sends out notification alerts via email and SMS text message.</p> <div data-bbox="789 1497 1557 1692" style="border: 1px solid black; padding: 5px;"> <p>Maryland Tran: show details Jul 7 (6 days ago) Reply</p> <p>Brunswick Line Update: train 894 approaching Gaithersburg 15 minutes late. This train is making all stops expect over crowding. Train 878 is following operating 43 minutes late. METRO will honor MARC tickets.</p> </div>								

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U.S. Pat. No. 7,030,781 Claim 1	MTA Alert System
A method, comprising the steps of:	
monitoring travel data associated with the vehicle	<p>MTA's system monitors travel data associated with the vehicles in service along their many different routes.</p> 
comparing planned timing of the vehicle along a route to updated vehicle status information	<p>MTA's system compares the planned scheduled of a train to the train's actual travel and notifies users when vehicles along the route have delays.</p> <p>Sign up here to receive the latest information about delays, service disruptions and schedule changes as well as occasional rider newsletters. MTA has temporarily suspended notifications for Local Bus, Light Rail and Metro while we work to ensure messages are accurate and timely. If you are already registered you will automatically be signed up again.</p>
contacting a user communications device before the vehicle reaches a vehicle stop along route; and	<p>MTA's system sends out notifications via email and SMS in advance of vehicles arriving at their stops.</p> <p>You may enter up to six e-mail addresses that can receive notifications. Please indicate what type of contact each address is (e-mail, cell phone, pager, etc.) and what style message you would like to receive (web based HTML or plain text or short message). Each device must be set up so that it can receive e-mail messages.</p>
informing the user of the vehicle delay with respect to the vehicle stop and of updated impending arrival of the vehicle at the vehicle stop, based upon the updated vehicle status information and planned timing.	<p>In addition to notifying users of a delayed vehicle, the MTA system is configured to provide users with updated arrival timing information, such as 43 minutes after the planned arrival time.</p> <p>Maryland Tran: show details Jul 7 (6 days ago)  Reply</p> <p>Brunswick Line Update: train 894 approaching Gaithersburg 15 minutes late. This train is making all stops expect over crowding. Train 878 is following operating 43 minutes late. METRO will honor MARC tickets.</p>

ARRIVALSTAR'S LICENSING PROGRAM

As noted above, ArrivalStar has licensed its arrival notification technology to over 80 companies in the transportation, transportation logistics, cargo shipment, package delivery and related industries, including the following:

A. Duie Pyle, Inc.	GPS Insight
ABF Freight System, Inc.	Horizon Lines
Acsis, Inc.	i2 Technologies, Inc.
Air Canada	Infor Global Solutions (Chicago)
American Express Travel	Lynden Inc.
APL Logistics Company	McLeod Software Corp.
Atlantic Container Line AB	NextBus Inc,
BMG Controls, Inc.	Nistevo Corporation
BNSF Railway Co	NorthWest Airlines
C.R. England, Inc.	NYK Logistics
Canada National Railway Co.	OAG Worldwide, Ltd.
Catalyst International, Inc.	Omni Systems, Inc.
City of Albuquerque	Ozburn Hessey Logistics
Clark Transport, Inc.	Par3 Communications
Cleartrack Information Network	PeopleNet Communications Corp.
Clever Devices	Pitt-Ohio Express LLC
Comtech Telecommunications Corp.	Prophecy Transportation Solutions, Inc.
Conductive Technology Corp.	Railcar Management, LLC
Continental Automotive Systems	Railinc Corp.
Con-Way Transportation Services	Sabre Holdings
Cosco Holding Company	SAIA Inc.
CSX Corporation	Saia Motor Freight Line, Inc.
Dallas/Ft. Worth Int'l Airport Board	Supply Chain Consulting
Datatrak Corp.	Telogis, Inc.
Descartes Systems Group, Inc	Track What Matters, LLC
Discrete Wireless, Inc.	Trade-Point Systems LLC
Dynamex, Inc.	Travelocity
Evergreen Maritime	United Airlines
Fortigo, Inc.	Webtech Wireless Inc.
Freightgate, Inc.	Wireless Matrix USA, Inc.
GE Asset Intelligence, LLC	Worldspan
Global Tracking Communications	Yang Ming
Globe Express Services, Ltd.	Zoombak, LLC

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Although ArrivalStar certainly prefers to resolve all licensing issues amicably, ArrivalStar has, when necessary, filed patent infringement lawsuits to enforce its patent rights. These cases have included:

ArrivalStar, Inc. v. Maersk Logistics USA, Abf Freight System, Inc., Nyk Logistics, Inc., Con-Way Transportation Services, Inc.
U.S. District Court for the Southern District of Florida; 1:05cv21046

Arrival Star, Inc. v. Pbb Global Logistics, Inc.
U.S. District Court for the Northern District of Illinois; 1:05cv4766

Arrival Star, Inc. v. Cosco Container Lines Americas, Inc.
U.S. District Court for the Eastern District of Virginia; 1:05cv933

ArrivalStar SA et al v. Globe Express Services, Ltd. et al
U.S. District Court for the Western District of North Carolina; 3:06cv77

ArrivalStar SA et al v. Pilot Air Freight Corp.
U.S. District Court for the Northern District of Illinois; 1:06cv51

ArrivalStar Ltd. et al v. Tradebeam, Inc. and Cleartrack Information Network, Inc.
U.S. District Court for the Northern District of Illinois; 1:06cv82

ArrivalStar Ltd. et al v. United Shippers Corporation of NY and Yang Ming (America) Corporation
U.S. District Court for the District of New Jersey; 2:06cv56

ArrivalStar SA et al v. Railinc Corp.
U.S. District Court for the Eastern District of North Carolina; 5:06cv222

ArrivalStar SA et al v. New Penn Motor Express, Inc.
U.S. District Court for the Middle District of Pennsylvania; 1:06cv1214

ArrivalStar SA et al v. Dallas-Fort Worth International Airport
U.S. District Court for the Northern District of Texas; 3:07cv464

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ArrivalStar SA et al v. ShipMatrix, Inc., United Parcel Services, Inc. and FedEx Corp.

U.S. District Court for the Western District of Pennsylvania; 2:07cv415

ArrivalStar SA et al v. UAL Corporation

U.S. District Court for the Northern District of Illinois; 1:07cv2385

ArrivalStar SA et al v. Canadian National Railway Co., BNSF Railway Co., CSX Corporation, Inc., Siemens VDO Automotive, I2 Technologies, Inc. and Transworks, Inc.

U.S. District Court for the Northern District of Illinois; 1:08cv1086

ArrivalStar SA et al v. Langham Logistics, Inc., Supply Chain Consulting U.S., LLC, Ozburn Hessey Logistics, LLC, Amtrex Trading, LLC and Fortigo, Inc.

U.S. District Court for the Southern District of Indiana, 1:08cv1689

ArrivalStar SA et al v. Prophecy Transportation Solutions, Inc., NTE, LLC., NNR Global Logistics USA, Inc., Navitag Technologies, Inc., Flash Global Logistics, Inc., and CMA CGM, LLC.

U.S. District Court for the Northern District of Illinois; 1:09cv2346

ArrivalStar SA et al v. Prophecy Transportation Solutions, Inc., NTE, LLC., NNR Global Logistics USA, Inc., Navitag Technologies, Inc., Flash Global Logistics, Inc., and CMA CGM, LLC.

U.S. District Court for the Northern District of Illinois; 1:09cv2346

ArrivalStar SA et al v. Dynamex, Inc., Flegenheimer International, Inc., Freightgate, Inc., GXS, Inc., JDA Software Group, Inc., McNutt Consulting Services, Inc. and Tatung Company of America, Inc.

U.S. District Court for the Northern District of Indiana; 4:09cv0044

ArrivalStar SA et al v. Trailer Bridge, Inc., Wan Hai Lines (AMERICA), Ltd., CSAV Agency, LLC, Datatrac Corporation, Inc., Supply Chain Solutions, Inc., Superior Brokerage Services, Inc., Transfair North America International Freight Services, Inc., and eShip Global, Inc.

U.S. District Court for the Middle District of Florida; 8:09cv1307

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ArrivalStar SA et al v. BDP International, Inc., DHL Express (USA), Inc., McCollister's Transportation Group, Inc., Fleetilla, LLC, Insight Network Logistics, LLC., Mercedes-Benz USA, LLC, PeopleNet Communications Corp., RouteMatch Software, Inc., SkyBitz, Inc., and WebTech Wireless (USA), Inc.

U.S. District Court for the Northern District of Illinois; 1:09cv6645

ArrivalStar SA et al v. AIA Software, Inc., Driver Watch Systems, LLC, Everyday Logix, LLC, Fleet Analytics, LLC, Fleet Management Consultants, LLC, Geoforce, Inc., GPS Auto Tracker, Inc., Logitrac Inc., Rentar Environmental Solutions, Inc., Sea-Watch Technologies, Inc., Track What Matters, LLC, US Fleet Tracking, LLC, Veracity Wireless, Inc., Visionary Business Works, Inc., and X5 GPS Tracking LLC

U.S. District Court for the Southern District of Indiana; 1:09cv1335

ArrivalStar SA et al v. Alanco Technologies, Inc., BrickHouse Electronics LLC, Fleet Management Solutions, Inc., FleetMatics USA, Inc., GeoMicro, Inc., GlobalTrack Services, Inc., Intergis LLC, Numerex Corp., Peak Wireless, Inc., Roper Industries, Inc., and Vehicle Tracking Solutions, LLC

U.S. District Court for the Northern District of Illinois; 1:10cv0980

ArrivalStar SA et al v. Massachusetts Bay Transportation Authority

U.S. District Court of Massachusetts; 1:10cv10456

ArrivalStar SA et al v. Cadec Global, Inc., IDA Marketing Corporation, On-Board Communications, Inc., Radio Satellite Integrators, Inc., StarTrak Systems, LLC, TeleNav, Inc., and Volvo Trucks North America, Inc.

U.S. District Court for the Northern District of Indiana; 4:10cv0033

ArrivalStar SA et al v. BSM Wireless, CalAmp Corp., Crowley Liner Services, Inc., International Telematics Corporation, Integrated System Research Corporation, MiX Telematics North America, Inc., PROCON, Inc., Rocky Mountain Tracking, Inc., and Trackn, Inc.

U.S. District Court for the Northern District of Illinois; 1:10cv2296

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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 August 2, 2010. If I do not hear from you by that date, I will assume that The Maryland Transit Administration 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

cc. Mr. Martin Kelly Jones