

From: **Jeanette Burns** <jburns@lodsys.com>
Date: Mon, Jul 22, 2013 at 3:32 PM
Subject: Proposal for Martha Stewart - Lodsys Group Patents
To: vsoman@mathastewart.com
Cc: Mark Small <Mark.Small@lodsys.com>

Dear Vanessa,

Thank you for your return call last week.

As you requested, I am sending you our licensing documents for the Lodsys Patents along with the Markman ruling.

Lodsys Group's believes there are four iPad apps that are infringing uses:

- Martha Stewart Living Magazine
- Martha Stewart Everyday Food (Claim Charted)
- Martha Stewart CraftStudio
- Martha Stewart Weddings

As these are considered to be moderate in nature, I was able to get approval to offer low end pricing of \$5,000 each, or \$20,000 total. In order to make this work on our end, this price is contingent upon a fully executed agreement no later than thirty days from today's date (August 22, 2013). Additionally, there should be no need for red lines to the agreement unless there is a unique requirement of your business that we do not understand.

Regarding Apple's license for the Lodsys Patents, it is Lodsys Group's position that the license does not extend to cover Apple's agents (who use the App Store or iTunes). The court has granted Apple limited intervention (on this issue only). In the many cases that Lodsys Group has brought against App Developers, Apple's intervention is uncontested by Lodsys Group. That said, Lodsys Group continues to bring new suits against App Devs and a number of the cases continue, while others have chosen to settle their dispute with Lodsys Group and those cases have been dismissed.

What IPMG offers Martha Stewart is the option to settle their matter with Lodsys Group via an amicable licensing resolution. As such, it does not address at all the issue of infringing, but it certainly gives you a pragmatic way to resolve this matter.

I am hopeful that you will take advantage of our program. I will follow up with you next week. Meanwhile, if you have any questions, please do not hesitate to call me.

Kind regards, Jeanette

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