

May 12, 2017

Dale Fowler
Indect USA
1510 Randolph Street; Ste 501-502
Carrollton Texas 75006

Re: Lack of Infringement of U.S. Patent No. 9,594,956 (assigned to Park Assist LLC)

Dear Dale:

You have asked us to provide a brief opinion as to whether the Indect parking system infringes any claim of U.S. Patent No. 9,594, 956 ("the '956 Patent") in response to a request for such analysis by Patrick Wilcox of Swinerton Builders in an email to you dated May 8, 2017. This letter shall serve as confirmation of your previous explanation to Mr. Wilcox that the Indect system does not infringe any claim of the '956 Patent. This analysis is based on the information that you provided to us regarding the method of operation of the Indect parking system to be installed in the subject airport. This letter does not attempt to set forth every reason why that parking system does not infringe the '956 Patent, but we do include multiple reasons why there is no infringement.

First, there are only two claims of the '956 Patent, with only one claim (Claim 1) being an independent claim. Claim one is directed generally to a method of managing a group of parking spaces such as a parking garage. The method includes steps taken to determine whether a particular parking spot is occupied (i.e. it "occupied status") and steps to correct errors in the "occupied status."

Second, the claims are method claims. In order to infringe a method claim of any issued patent, one must practice each and every step of that claim. Claim 1 of the '956 Patent contains ten steps labeled (a)-(j). We understand that someone using the proposed Indect system would not perform at least steps (g), (h), (i) and (j) as set forth below.

Claim 1. A method of managing a plurality of parking space, comprising ...

(g) deciding whether said occupied status is incorrect, based on a visual review of said thumbnail image on said GUI;

(h) correcting said occupied status, by inputting computer- readable instructions to a computer terminal of said GUI, if said parking space shown in said thumbnail image is vacant and said computer terminal electronically communicating a command to toggle said multicolor indicator to illuminate a second color, said second color predefined to indicate a vacant status;

(i) extracting from said high resolution image, by digital image processing, a permit identifier for said vehicle and comparing said permit identifier with at least one parking permit identification stored on said storage to determine a permit status of said parked vehicle; and

(j) initiating an infringement process for said vehicle having said permit identifier that fails to coincide with at least one of said at least one parking permit identification.

Step (g) requires a "visual review" by a user, such as a manager, of a thumbnail image of a given parking space to determine whether the occupied status is incorrect (i.e., is the indicator light the wrong color). Indect does not have personnel perform a visual review of any particular space in order to determine whether the system is functioning correctly in real time. Thus, step (g) is not performed. Under U.S. patent law, the fact that Indect (or someone using its system) does not

perform this step means that there is no liability for infringement of Claim 1 of the '956 Patent, because at least one step of the claimed method is not performed. Because at least one step of Claim 1 is missing, Claim 2 is necessarily also not infringed, because Claim 2 requires the performance of every step of Claim 1 plus one additional step.

There are also at least three other steps of Claim 1 that Indect (or someone using its system) also does not perform and therefore three additional reasons why there is no infringement of the claims. Step (h) requires correction of the occupied status if the thumbnail image shows that a given parking space is vacant. Again, Indect does not have anyone reviewing thumbnail images and therefore does not correct status by relying on such analysis. Thus, step (h) is not performed.

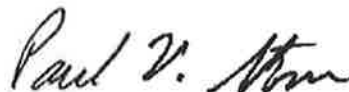
Step (i) requires extracting a permit identifier from the image of the parked vehicle and comparing that permit identifier with a stored database to determine permit status. Indect does not have any such functionality in its system and therefore does not and could not perform step (i). Step (j) then requires the initiation of a process against the vehicle/vehicle owner if the permit does not match something allowed in the database. Indect does not examine permits and, likewise, does not initiate any actions against vehicles parked based on inappropriate or missing permits. Thus, step (j) is also not performed.

As explained above, Indect (or someone using its system) does not perform every step of either Claim 1 or Claim 2 of the '956 Patent and therefore would not be liable for infringement of that patent. We understand that Mr. Wilcox also asked for assurances that Indect is not violating any other known existing patents. We understand that Indect has not received notifications from any party as to any alleged violations of existing patents. We further understand that Indect has no independent knowledge that its system violates any valid issued U.S. Patent.

We also understand that Mr. Wilcox asked for assurances that Indect has "all necessary patents" for its system. Please be advised that patents are exclusionary rights; no one needs a patent in order to do business or provide products or services to anyone else. A patent is merely a right to prevent someone else from practicing a particular invention, not authorization to do anything affirmatively. We understand that Indect has chosen to protect its intellectual property through the use of trade secrets, as opposed to patents. Indect can represent that it has the necessary know-how and rights to sell, distribute and support its products and is free to do business, as is any company, without patent protection.

We hope that this letter provides the assurances requested by Mr. Wilcox. Please let us know if further information or explanation would be helpful. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Paul V. Storm". The signature is written in a cursive, slightly slanted style.

Paul V. Storm, Partner

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