

## **MEMORANDUM**

To: Hugues Courchesne

From: Thomas L. Peterson

Subject: Value Analysis For Patents

Date: December 13, 2016

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### **PATENT ASSETS**

1. Method for Web-Based Distribution of Targeted Advertising Messages  
Application Serial No. 10/981,478
2. System and Method for Increasing Traffic to Websites  
U.S. Patent No. 8,301,496

### **VALUATION**

This Memorandum sets forth my opinion on the potential value of the above identified patent assets (the “Patent Assets”). This Memorandum is not intended to be a precise assessment of current or future value, as sufficient information does not yet exist to make such an assessment. Moreover, even if more information was available, any statement of value would remain a subjective best guess in the absence of an actual sale or licensing transaction.

Accordingly to the website Statista.com, “[i]n 2015, online sales of physical goods amounted to 294.45 billion US dollars and are projected to surpass 485 billion US dollars in 2021. Apparel and accessories retail e-commerce in the U.S. is projected to generate a hundred billion U.S. dollars in revenue by 2019.”

<https://www.statista.com/statistics/272391/us-retail-e-commerce-sales-forecast/>

The same website states that “retail e-commerce sales worldwide amounted to 1.55 trillion US dollars in 2015 and e-retail revenues are projected to grow to 3.4 trillion US dollars in 2019.”

<https://www.statista.com/statistics/379046/worldwide-retail-e-commerce-sales/>

Today, virtually all ecommerce websites rely on some form of customer-targeted advertising and various methods of increasing website traffic. The Patent Assets identified above have broad application in this marketplace.

Because patents are necessarily unique, every patent asset sale or license is, therefore, unique. No two transactions are the same. Thus, it is difficult to place a precise value on the Patent Assets as there are no similar models.

However, considering the size of the ecommerce market, a fraction of a percent of market coverage by the Patent Assets would return millions of dollars in licensing fees to the owners of the Patent Assets. Thus, it is my opinion that the Patent Assets have the potential of a valuation in excess of \$75 million US across multiple licensees. This estimate is simply based on the overall size of the ecommerce market. The estimate assumes, of course, that the pending ‘478 application will issue as a patent and that both patents will be able to withstand challenges to their validity.

If you have any questions, please let me know.