



Soverain Patents Found Valid and Infringed

CHICAGO, Aug. 23 /PRNewswire/ -- A federal court has found three of Soverain Software's patents valid and infringed and ordered a new trial for additional damages for U.S. Patent No. 7,272,639. Judge Leonard Davis of the U.S. District Court for the Eastern District of Texas, Tyler Division entered final judgment in the case *Soverain Software LLC v. Newegg Inc.* on August 11, 2010, accompanied by a thorough opinion ruling on numerous post-trial motions in which all of Newegg's motions were denied. The court also affirmed the jury's damages award as to U.S. Patent Nos. 5,715,314 and 5,909,492 and set an enhanced ongoing royalty for the life of those two patents.

"This ruling reaffirms the validity of an important group of patents dating from the dawn of e-commerce," said Katharine Wolanyk, president of Soverain. "We have made a considerable investment in developing and defending our intellectual property, and are gratified to have a Court with substantial expertise in patent law decide solidly in our favor. While we would have preferred to avoid a trial, going forward, this verdict should put to rest any doubts as we continue our patent licensing program."

Newegg was the sole remaining defendant in *Soverain Software LLC v. CDW Corporation, Newegg Inc., Redcats USA, Inc., Systemax Inc., Zappos.com, Inc., Redcats USA, L.P., The Sportsman's Guide, Inc., and TigerDirect, Inc.* (Civil Action No. 6:07cv511), a case that Soverain filed in 2007. The law firm of Jones Day, with a team led by partner Ken Adamo, successfully represented Soverain in this case as well as in the prior cases *Soverain Software LLC v. Amazon.com, Inc. and Gap, Inc.* (Civil Action Nos. 6:04cv14 and 6:04cv528). Soverain's local counsel were Carl Roth of The Roth Law Firm, P.C. and Michael Smith of the firm Siebman, Burg, Phillips & Smith, LLP.

"Soverain's patents have been vetted by years of extensive litigation involving the world's largest Internet retailers and by reexamination in the U.S. Patent Office," said Ken Adamo of Jones Day. "They are the real deal. Newegg is now an adjudged infringer of patents that are essential to its business, patents that many of its competitors have paid Soverain to license."

Soverain's pioneering patents cover key aspects of e-commerce and have been successfully licensed to over 40 companies including Amazon.com, Inc., The Gap, Inc., Redcats USA, Inc., Shutterfly, Inc., Systemax Inc., TigerDirect, Inc., and Zappos.com, Inc. The initial patents were filed in 1994 and 1995 by Soverain's predecessor Open Market Inc. in conjunction with research and development efforts that led to its software product Transact. Soverain acquired the Transact software business and related intellectual property in 2003 and launched its patent licensing program in 2004.

"We recognized the strength of our patent portfolio from the start and thought others would too, particularly after the licenses to Amazon and other leading retailers such as The Gap, Zappos and Shutterfly and the successful outcomes of three patent reexaminations," said Wolanyk. "This judicial determination confirms Soverain's legitimacy in the established technology licensing community."

ABOUT SOVERAIN SOFTWARE

Soverain Software LLC provides e-commerce software and services for enterprises, focusing on the publishing, news syndicate and digital content industries, and its flagship product Transact has been deployed to customers in 25 countries. With a patent portfolio of over 50 issued and pending patents covering key aspects of e-commerce, Soverain continues to develop and support its technology which was pioneered by Open Market, Inc. More information about Soverain's products and services is available at www.soverain.com. Soverain Software, Soverain and Transact are trademarks of Soverain Software LLC. All rights reserved.

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