

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

IBG LLC, INTERACTIVE BROKERS LLC, TRADESTATION GROUP, INC.,
TRADESTATION SECURITIES, INC., TRADESTATION TECHNOLOGIES,
INC., and IBFX, INC.,

Petitioner

v.

TRADING TECHNOLOGIES INTERNATIONAL, INC.

Patent Owner

CBM2015-00161 (U.S. Patent 6,766,304 B2)¹
CBM2015-00181 (U.S. Patent No. 7,676,411 B2)
CBM2015-00182 (U.S. Patent No. 6,772,132 B1)

DECLARATION OF ROBBIE MCDONNELL

¹ Case CBM2016-00035 has been joined with this proceeding.

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I, Robbie McDonnell, declare as follows:

I. INTRODUCTION

1. I currently serve as the executive vice-president of global sales for Trading Technologies International, Inc. (“TT”). My responsibilities in this role include managing TT’s international sales operations and directing sales managers globally.

2. Prior to joining TT, I primarily worked in the financial industry. Initially, I worked for a bank located in Dublin, Ireland. In 1994, I was hired as a sales manager by a company named FutureSource to sell electronic charting software called TradeStation. After a few years, I transitioned to a sales position at Dow Jones, where I again sold charting software, however to larger banks.

3. I later pursued an opportunity to work for TT. I began my career at TT in September of 1998 as a sales manager in TT’s London Office. As a sales manager, my responsibilities included prospecting new customers and meeting with proprietary and professional traders and bankers. I was also tasked with selling TT’s software product, X_Trader, to TT’s customer base at large. It was during my time as a sales manager in London that TT launched its MD Trader product within X_Trader.

4. By early 2001, I was promoted to managing director of the London Office, which encompassed all of TT’s European Operations. I assembled a team

of account and sales managers to sell X_Trader throughout Europe. Then, in 2006, I moved from London to Asia in order to expand TT's global reach of its X_Trader product. I opened multiple sales offices, including offices in Hong Kong, Singapore, Tokyo, and Sydney. Finally, in September of 2014, I was promoted to my current position as executive vice-president of global sales and relocated to Chicago.

II. HISTORY OF TT AND MD TRADER

5. Gary Kemp, an American entrepreneur with a background in software development, formed TT in Frankfurt, Germany in 1994. Recognizing that futures trading was moving to an electronic platform in the early 1990's, Mr. Kemp, in forming TT, sought to provide traders with connectivity to electronic exchanges.

6. In 1997, TT and Mr. Kemp relocated to Chicago, Illinois, placing them closer to the Chicago Board of Trade and the Chicago Mercantile Exchange. Shortly thereafter, Harris Brumfield, a well-known and successful trader, joined TT as a customer of TT's software and an investor in TT. Mr. Brumfield would later become the majority shareholder and CEO of TT around 2002-2003, and today serves as Chairman of the Board at TT.

7. When TT moved to Chicago, it had two sides of its business. The first was a consultancy side, which Mr. Kemp was primarily responsible for. Mr. Brumfield was also a client of Mr. Kemp's consulting business. The other side,

which I was heavily involved in, focused on software development and sales of X_Trader.

8. Mr. Brumfield provided a unique trader perspective to the software development side. Mr. Brumfield had an interest in improving trading interfaces and assisted TT in developing new software. TT thus established itself as an independent software vendor (“ISV”), meaning TT began charging customers on a monthly basis for its trading execution software in order to collect revenue.

9. When I joined TT in 1998, quite a few competing ISVs existed in the industry at the time. Some of these ISVs included Ecco, FFastFill, Pats, Nyfix, and GL. These ISVs were direct competitors and sold the same conventional trading screens that TT offered, with only small differences. These conventional screens included a fixed inside market – they displayed the best bid price and best ask price at fixed designated locations on the screen (typically side by side). All of us ISVs essentially competed for the same traders and same banks, day in and day out, with very little differentiation between us. Due to this cut-throat competition, the margins were razor thin and TT struggled in the early years, as did our competitors. By no means was the ISV business a profitable business. Shockingly, none of those ISVs currently exist, as they were either acquired or went out of business.

10. TT survived in large part to Mr. Brumfield’s investments in the

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