

**FREQUENTLY ASKED QUESTIONS ABOUT NEW RESEARCH AND TECHNOLOGY  
(PATENT) BUSINESS**

**Q-The Tribe has entered into a "Patent" business. Can you explain what type of business this is?**

**A-**It involves (at least from the start) patents. Patents are licenses issued by the US government giving the right or ownership for a set period of time, the sole right, to prevent others from making, using, or selling an invention.

**Q-What does the Tribe do in this business?**

**A-**There is a huge advantage for patents to be owned (through assignments) by entities that have sovereign immunity (like states, state-owned universities and of course tribes). The Tribe is acquiring patents from companies (primarily in the technology and pharmaceutical industry). The Tribe will own patents and obtain revenue through assignment agreements with companies.

The Tribe will be entering into Assignment and Licensing Agreements wherein the companies will assign their patents (for technical, medical and other inventions) to pay the tribe for holding the patents and protecting them from patent trolls or infringers.

The Tribe is not seeking to completely avoid review of the validity of the patents. The issue is the Inter Partes Review (IPR) panel that has been set up by Congress for review. This IPR panel is very unfair to companies with valid patents and allows patent trolls and other infringers to void valid patents. The Tribe will file to have its patents review, instead, in federal court where a patent company will be able to use the patent validity rules that have existed for many years to obtain a fair hearing on its patent rights.

**Q-Isn't this risky? Can't the Tribe end up losing these patent cases and have to pay the infringers?**

**A-**First, the Tribe is not investing any money in this business. Its only role is to hold the patents, get assignments, and make sure that the patent status with the US Patent Office is kept up to date. The Tribe will have an office that is in charge of

maintaining the patents, but that will not involve significant monetary investment.

So, the Tribe will not be at risk to lose any of its own money.

Second, the patents that the Tribe will acquire will be "vetted" by the Shore, Chan DePumpo law firm that it is working with (and the Tribe also) to make sure that the patents are "ironclad," very solidly based so that they will be confirmed in federal court.

Of course, there is always a slight chance that an infringer could win one of these cases. In that event, the Tribe will be protected through agreements with the company making the assignment and the Shore firm.

**Q—Who is paying for all the U.S. Patent office work and the lawsuits against infringers?**

**A—**These are being handled on a contingent fee basis. The Shore firm work will be paid only when and if the court cases are successful. When that happens, the Tribe will get a share of the proceeds and a share will go to Shore.

#### **CURRENT PROJECTS TO DATE**

**Q—Has the Tribe entered in any patent agreements so far?**

**A—**The Tribe has only been involved in this business since April of this year, and so far, has entered into two agreements and will be executing another soon.

The first agreement was with a company that holds computer technology patents. The Tribe owns 40 of this company's patents through assignments and expects that it will earn a significant amount of money through the Shore firm's enforcement of the patents in federal court. Right now a federal court case is being prepared for filing. These cases take a year or more so the money judgment would not be expected until the case is finished— at least 18 months from now.

The second agreement is with Allergan Pharmaceutical and involves that company's 5 patents for RESTASIS eye drops (dry eye relief). This case is different, as the Tribe through the Shore firm, contacted Allergan while its patents were being

challenged in IPR proceedings. Allergan learned of the sovereign immunity defense so it approached the Tribe about assignment of its patents. Allergan wants its patents to be enforced against infringers, (makers of generic eye drops) but in federal court, not in the IPR proceedings.

Through an agreement that was closed on Friday, September 8, 2017, Allergan agreed to pay the Tribe \$13.75 upfront to acquire the patents and move to dismiss the IPR case. If the motion is successful and the RESTASIS patents are protected and remain valid, Allergan will pay the Tribe \$15M in royalties per year throughout the life of the patents (that expire in 7 years).

**Q—Does the Tribe expect more deals like Allergan and other patent clients?**

**A—**Yes, when other big technology and pharmaceutical companies learn about this patent protection development through the media (which has been very active since the Press Release September 8, 2017) they will contact either the Tribe or the Shore firm.

**Q—If the Tribe earns millions of dollars through this business how does it plan on spending it?**

**A—**This first payment of \$13.75M is great but the Tribe is going to be very careful and conservative on how it is spent. It is possible (but not very likely) that IPR or some court could rule that the Tribe's immunity does not apply so the Tribe must consider that the revenues may be short term.

But, in any event, the Tribal Council has indicated that it would allocate the money to benefit tribal members through enhancing government services (health, welfare, education, housing and other services).

**Q—I understand there is a Tribal Office that is being set up to administer these patents?**

**A—**Yes, the Tribe has created an office to be housed within the SRMT Economic Development Division that is called "Office of Technology, Research and Patents". This will be a small office that manages the Tribe's patent business and also will diversify to other research, science and technology areas.