

1 **BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY**

2
3 IN THE MATTER OF THE APPLICATION OF)
4 DESERT CAB CO. TO ADJUST TAXICAB)
5 CHARGES TO INCLUDE A PASS-THROUGH)
6 SOFTWARE LICENSE CHARGE)
7 _____)

RECEIVED
MAR 05 2025
By *WJ*
HEARING REQUESTED

8
9 **AMENDED APPLICATION OF DESERT CAB CO. TO ADJUST TAXICAB CHARGES TO**
10 **INCLUDE A PASS-THROUGH SOFTWARE LICENSE CHARGE**

11 Applicant, Desert Cab Co., hereby submits its Amended Application, pursuant to NRS
12 706.8819(1)(a), NAC 706.471 and NAC 706.909, to adjust taxicab charges to include a pass-through
13 software license charge. This Amended Application is specifically an application for changes of rates
14 or rules as clearly provided for by NRS 706.8819(1)(a), NAC 706.471 and NAC 706.909, discussed
15 below.

16 **INTRODUCTION**

17 During the past six (6) or more years, pursuant to NRS 706.8836, the Nevada taxicab industry
18 has utilized various software systems, devices and methods to improve taxicab service for the direct
19 benefit of the riding public, including “smart meters”.¹ The primary provider of many of these systems,
20 devices and methods in Clark County is Kaptyn Nevada, LLC (“*Kaptyn*”), a company which creates
21 scalable transportation solutions that help solve many of the challenges and complexities of the
22 industry. Kaptyn licenses its systems to current Clark County certificate holders, such as Applicants
23 Desert Cab Co., and also to A-Cab Co., Yellow Cab, Checker Cab Co., Star Cab, New Cab, Deluxe
24 Cab Co., Henderson Taxi, Whittlesea Blue Cab Co., Lucky Cab Co., Nellis Cab Co. and Western Cab
25 Co., comprising 100% of the industry.

26 The systems, devices and methods described in five (5) patents issued by the U.S. Patent Office
27 are held by a third-party technology company, IVSC IP, LLC (“IVSC”). There are also five (5)
28 pending related patent applications presently being prosecuted by IVSC. The five (5) issued patents
29 are as follows:

30 _____
31 ¹ NRS 706.8836 addresses the required use and data relating to taximeters, devices, methods and systems to determine
32 passenger fares.

1. Issued U.S. Patent No. 9,037,852 – System and Method For Independent Control of For-Hire Vehicles (issued May 19, 2015);
2. Issued U.S. Patent No. 11,200,755 – Systems and Methods for Pairing of For-Hire Vehicle Meters and Medallions (issued December 14, 2021);
3. Issued U.S. Patent No. 11,615,649 (continuation of Patent No. 11,200,755) – Systems and Methods for Pairing of For-Hire Vehicle Meters and Medallions (issued March 28, 2023);
4. Issued U.S. Patent No. 12,062,069 – Transaction and Communication System and Method for Vendors and Promoters (issued August 13, 2024); and
5. Issued Patent No, 12,105,864 – Tamper Evident System for Modification and Distribution of Secured Vehicle Operating Parameters (issued October 1, 2024).²

In the course of licensing negotiations, IVSC has identified these patents to Kaptyn as allegedly being infringed by its customers, which are certificated taxicab operators in Nevada. Kaptyn, on behalf of its taxicab operator customers, is prepared to enter into a third-party licensing agreement with the patent holder, IVSC, which agreement would license technology which IVSC asserts is infringed by the above-described issued patents.³ These technology systems touch important aspects of the transportation services currently being provided in Clark County, and the riding public directly benefits from their use.

LEGAL AUTHORITY

The Nevada Taxicab Authority (“Authority”) has complete authority to regulate the taxicab industry in Clark County. *See Lamb v. Mirin*, 90 Nev. 329, 526 P.2d 80 (1974). And the Nevada Legislature (“Legislature”) created the Authority in NRS Chapter 706, which governs the operation and regulation of motor carriers in the state. NRS 706.011 *et seq.*

Within Chapter 706, the Legislature articulated a “Declaration of Purpose” which, in part, gives the Authority the general authority and duty to fully regulate taxicabs in Clark County in a manner that promotes “. . . safe, adequate, economical and efficient service and to foster sound economic conditions in motor transportation.” NRS 706.151(1)(c). As part of its specific authority, the Authority is charged with determining the rates, charges or fares for taxicab service:

1. The Taxicab Authority shall conduct hearings and make final decisions in the following matters:
 - (a) Applications to adjust, alter or change the rates, charges or fares for taxicab service . . .

² See **Exhibit 1**, an abstract of the IVSC portfolio of patents.

³ See **Exhibit 2**, draft agreement between Kaptyn and IVSC.

1 NRS 706.8819(1)(a) (emphasis added).⁴

2 This Amended Application is further governed by NAC 706.909, Applications for change of
3 rates or rules, which provides as follows:

4 Applications by any taxicab company to increase any rate, fare or charge or rule or
5 regulation resulting in any increase must, in addition to complying with the
6 provisions NAC 706.876 to 706.975, inclusive, applicable to all pleadings, submit
the following data, either in the application or attached to it as an exhibit:

7 1. A statement showing in full the rates or fares, rules or regulations requested
to be put into effect or the general relief asked for.

8 2. A statement or reference showing in full the rates or fares, rules or
regulations which will be superseded by the proposed rates.

9 3. A complete and accurate statement of the circumstances and conditions
relied upon as justification for the application.

10 4. A reference record to prior action if any by the Authority in any proceeding
relative to the existing and proposed rates.

11 5. A financial statement for a full 12-month period including a balance sheet
12 and a profit and loss statement; or in any application filed by or on behalf of a group
13 of companies as parties to a tariff, composite financial statements for all or a
representative group of companies involved for a full 12-month period, and a
composite and representative profit and loss statement.

14 DISCUSSION

15
16 Kaptyn and the certificated taxicab operators it serves are on notice about the pendency and
17 issuance of the patents described above. Under these circumstances, the certified taxicab operators
18 must elect to either take a patent license or face patent litigation. The latter would subject the taxicab
19 operators to substantial expenses. The median cost of patent litigation ranges from \$1 million - \$2.7
20 million depending on the amount in controversy. Further, any resolution may result in the taxicab
21 operators paying a significant royalty for all past, present, and future taxicab rides until expiration of
22 IVSC's patents several years from now. For example, the potential patent royalty that could be applied
23 against infringers of these patents were litigation to ensue and go to judgment, could, depending on a
24 variety of factors, be in the range of at least 3% to 7% of gross revenue. 35 U.S.C. §§ 284-285. Based
25 upon the current average trip fare for taxicabs in Clark County of approximately \$20.00 per trip,
26 including the average for both employee and lease revenue and rounding down (*see Nevada Taxicab*

27
28 ⁴ NAC 706.471(3) requires the rates, charges or fares of all certificate holders in a county to be uniform, except upon a
showing that the public interest requires otherwise.

1 Authority, Taxicab Industry Statistics, 2023 and 2024), this would result in a gross royalty of between
2 \$0.60 and \$1.40 on a per trip basis. The federal patent law also allows a patent owner to recover
3 royalties for past infringement going back as many as six (6) years from the date of filing a complaint
4 for patent infringement in appropriate cases. *See* 35 U.S.C. § 286. The certified taxicab operators are
5 ill-suited to mount a patent litigation challenge against the IVSC patent portfolio.

6 Recognizing this, Kaptyn, the SaaS⁵ taxi dispatch and data system provider to the Applicant
7 and most of the other certificated taxicab operators in Clark County, has negotiated a conditional
8 license agreement between taxicab operators and the third-party patent owner for a \$0.50 per trip
9 royalty.⁶ If approved and authorized by this body for industry-wide application to be collected from a
10 \$0.50 augmentation to the taxi rate and remitted to the patent holder, as proposed by this Amended
11 Application, this would fully and finally resolve all potential patent royalty liability for all the taxicab
12 operators regulated by this agency and remitting the \$0.50 rate augmentation as described herein. This
13 would resolve liability under *all* the above listed patents, and the related still-pending patent
14 applications of the third-party patent owner. This includes resolution, without any liability for further
15 payment, of all past infringement.

16 The SaaS taxi dispatch and data systems provided by Kaptyn being utilized by all of the Clark
17 County taxicab industry are a substantial benefit to the riding public. Such improved technology has
18 been recognized as vital for this industry by prior actions of the Nevada Legislature. *See, e.g.*, NRS
19 706.8825(4) (technology fund) and NRS 706.8836 (smart meters). Since the riding public is the
20 beneficiary of these technologies that are used universally by the Clark County taxicab industry and
21 have improved dispatch, service and safety, it is appropriate for the riding public to pay the charge for
22 the use of these systems as a pass-through augmentation to the taxi rate as requested by this Amended
23 Application. And it should not be forgotten here that the riding public will also be the beneficiary of
24 the substantially lessened and finally resolved potential patent royalty liability that would be settled
25 by approval of this Amended Application, as future rate increase requests would not be made to defray

26
27
28 ⁵ Software-as-a-service.

⁶ *See* Exhibit 2.

1 the much higher cost of patent litigation-imposed past and future royalties that could be imposed as
2 the result of patent litigation.

3 In further support of this Amended Application, and pursuant to NAC 706.909, Applicants
4 state as follows:

- 5 1. The charge requested by joint Applicants is a pass-through software license charge in
6 the amount of \$0.50 per trip.
- 7 2. No rates or fares, rules or regulations will be superseded by the proposed software
8 license charge.
- 9 3. The complete and accurate statement of the circumstances and conditions relied upon
10 for justification are fully set forth in this Amended Application, its accompanying
11 exhibits, the attached Declaration of George Balaban⁷, pre-filed testimony and live
12 testimony as may be requested by the assigned hearing officer.
- 13 4. A reference record to prior action by the TA relating to rates include the recent F1
14 2024 Special Event Surcharge and the implementation of Airport Trip Zone Pricing.
- 15 5. The Applicant's financial statement for a full 12-month period, including a balance
16 sheet and a profit and loss statement.⁸

17 CONCLUSION

18 WHEREFORE, Applicant hereby requests:

- 19 1. That, pursuant to NRS 706.8819, this Amended Application be noticed to the public, a
20 hearing conducted, and placed on an upcoming Taxicab Authority agenda for discussion
21 and final decision;
- 22 2. That this Amended Application be approved to require all taxicabs in Clark County,
23 Nevada, to impose a pass-through software license charge of \$0.50 on all taxicab trips
24 originating in Clark County, Nevada; and

25 ///

26 ///

27
28 ⁷ See Exhibit 3, Declaration of George Balaban.

⁸ Applicant intends to submit the requisite financials under confidential seal.

1 3. For any other such relief that may be just and proper to implement the software license
2 charge.

3 DATED this 5th day of March, 2024.

4 DESERT CAB CO.

5 Signed by:

6 
7 7AF7CEFDA1E945F...

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EXHIBIT “1”



US012105864B2

(12) **United States Patent**
Pinkus et al.

(10) **Patent No.:** **US 12,105,864 B2**
(45) **Date of Patent:** **Oct. 1, 2024**

(54) **TAMPER EVIDENT SYSTEM FOR
MODIFICATION AND DISTRIBUTION OF
SECURED VEHICLE OPERATING
PARAMETERS**

(71) Applicant: **IVSC IP LLC**, Las Vegas, NV (US)

(72) Inventors: **Michael Collins Pinkus**, Alpharetta,
GA (US); **James Alan Wisniewski**, Las
Vegas, NV (US)

(73) Assignee: **IVSC IP, LLC**, Las Vegas, NV (US)

(*) Notice: Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 157 days.

(21) Appl. No.: **16/384,797**

(22) Filed: **Apr. 15, 2019**

(65) **Prior Publication Data**

US 2020/0014757 A1 Jan. 9, 2020

Related U.S. Application Data

(63) Continuation of application No. 15/073,499, filed on
Mar. 17, 2016, now abandoned, which is a
(Continued)

(51) **Int. Cl.**
H04L 67/12 (2022.01)
G06F 21/86 (2013.01)
(Continued)

(52) **U.S. Cl.**
CPC **G06F 21/86** (2013.01); **G06Q 10/06**
(2013.01); **G06Q 20/3829** (2013.01);
(Continued)

(58) **Field of Classification Search**
CPC **G06Q 10/06**; **G06Q 20/3829**; **G06Q 30/02**;
G06Q 2220/00; **G06Q 2220/10**; **G08G**
1/133; **G07B 13/00**; **H04L 67/12**
(Continued)

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Primary Examiner — Mohammad A. Nilforoush

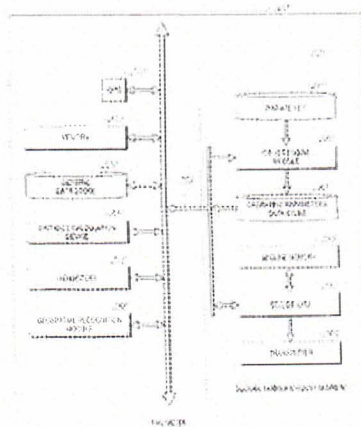
Assistant Examiner — Wodajo Getachew

(74) *Attorney, Agent, or Firm* — Justin R. Jackson; Marco
H. Santamaria; Daniel Berenger-Russell

(57) **ABSTRACT**

Systems and methods of securing, distribution and enforcing for-hire vehicle operating parameters are described whereby a first computer system maintaining the parameters generates a data packet that is distributed to a second computer system which acts as a meter (such as a taximeter, limousine meter or shuttle meter) for the for-hire vehicle. The first computer system may secure or encrypt the data packet according to a security protocol associated with the second computer system. Once the second computer system receives the data packet, it may validate and extract the operating parameters contained within it. The second computer system may then store the operating parameters and operate according to the parameters by, for example, calculating fares for passengers that make use of the for-hire vehicle associated with the second computer system. The second computer system may include a secure segment that

(Continued)



is attached to the for-hire vehicle and a non-secure segment that may be easily removed to prevent theft or for repairs.

16 Claims, 5 Drawing Sheets

Related U.S. Application Data

continuation of application No. 13/116,856, filed on May 26, 2011, now abandoned.

- (51) **Int. Cl.**
G06Q 10/06 (2023.01)
G06Q 20/38 (2012.01)
G06Q 30/02 (2023.01)
G07B 13/00 (2006.01)
- (52) **U.S. Cl.**
 CPC **G06Q 30/02** (2013.01); **G07B 13/00**
 (2013.01); **H04L 67/12** (2013.01); **G06Q**
2220/00 (2013.01)
- (58) **Field of Classification Search**
 USPC 705/71
 See application file for complete search history.

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US012062069B2

(12) **United States Patent**
Pinkus et al.

(10) **Patent No.:** **US 12,062,069 B2**
(45) **Date of Patent:** **Aug. 13, 2024**

(54) **TRANSACTION AND COMMUNICATION
SYSTEM AND METHOD FOR VENDORS
AND PROMOTERS**

(71) Applicant: **IVSC IP LLC**, Las Vegas, NV (US)

(72) Inventors: **Michael Collins Pinkus**, Alpharetta,
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(73) Assignee: **IVSC IP, LLC**, Las Vegas, NV (US)

(*) Notice: Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 0 days.

(21) Appl. No.: **17/074,377**

(22) Filed: **Oct. 19, 2020**

(65) **Prior Publication Data**

US 2021/0209646 A1 Jul. 8, 2021

Related U.S. Application Data

(63) Continuation of application No. 15/969,672, filed on
May 2, 2018, now abandoned, which is a continuation
(Continued)

(51) **Int. Cl.**

G06Q 30/02 (2023.01)

G06Q 30/0251 (2023.01)

G07F 17/00 (2006.01)

(52) **U.S. Cl.**

CPC **G06Q 30/0265** (2013.01); **G06Q 30/02**
(2013.01); **G06Q 30/0264** (2013.01); **G07F**
17/0057 (2013.01)

(58) **Field of Classification Search**

CPC **G06Q 30/0207-0277**; **G06Q 30/02**; **G07F**
17/0057

See application file for complete search history.

(56) **References Cited**

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Primary Examiner — Saba Dagneu

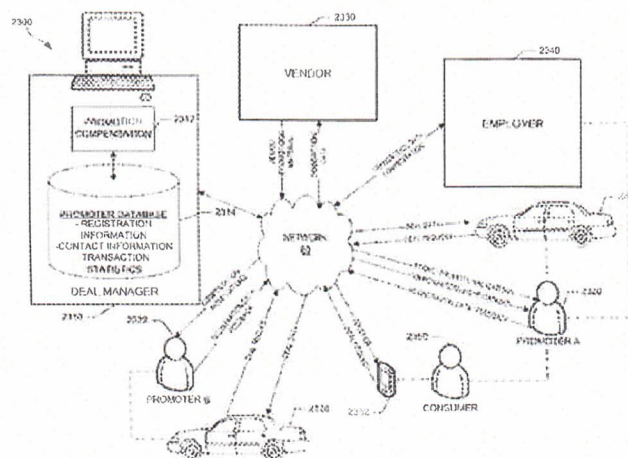
(74) *Attorney, Agent, or Firm* — Peacock Law, P.C.;
Justin R. Jackson; Daniel Berenger-Russell

(57)

ABSTRACT

Transaction and communication systems and methods are disclosed for vendors and promoters. Some embodiments disclosed herein provide a deal manager system comprising transaction data associated with the promotional activities of one or more promoters, such as promoters registered with the deal manager system. The deal manager system can process the transaction data and provide compensation to promoters for their promotional activities based at least partly thereon. In certain embodiments, at least a portion of the transaction data can be provided to one or more vendors. A vendor may direct that benefits or promotional material be provided to a subset of promoters based at least in part on the received transaction data. The deal manager system may include promoter contact information, and materials provided by the vendor may be conveyed by the deal manager system to certain promoters based on the same.

19 Claims, 31 Drawing Sheets





US011615649B2

(12) **United States Patent**
Pinkus et al.

(10) **Patent No.:** **US 11,615,649 B2**
(45) **Date of Patent:** ***Mar. 28, 2023**

(54) **SYSTEMS AND METHODS FOR PAIRING OF
FOR-HIRE VEHICLE METERS AND
MEDALLIONS**

(71) Applicant: **IVSC IP LLC**, Las Vegas, NV (US)

(72) Inventors: **Michael Collins Pinkus**, Alpharetta,
GA (US); **Mark A. James**, Las Vegas,
NV (US)

(73) Assignee: **IVSC IP LLC**, Las Vegas, NV (US)

(*) Notice: Subject to any disclaimer, the term of this
patent is extended or adjusted under 35
U.S.C. 154(b) by 0 days.

This patent is subject to a terminal dis-
claimer.

(21) Appl. No.: **17/549,216**

(22) Filed: **Dec. 13, 2021**

(65) **Prior Publication Data**

US 2022/0101656 A1 Mar. 31, 2022

Related U.S. Application Data

(63) Continuation of application No. 16/178,480, filed on
Nov. 1, 2018, now Pat. No. 11,200,755, which is a
(Continued)

(51) **Int. Cl.**
G07B 13/04 (2006.01)
G07B 13/00 (2006.01)
(Continued)

(52) **U.S. Cl.**
CPC **G07B 13/00** (2013.01); **G07C 5/008**
(2013.01); **G07C 5/08** (2013.01); **G06Q**
2240/00 (2013.01); **G07B 13/04** (2013.01)

(58) **Field of Classification Search**
CPC **G07F 13/00**; **G06Q 30/0284**; **G06Q 50/30**;
G06Q 2240/00

See application file for complete search history.

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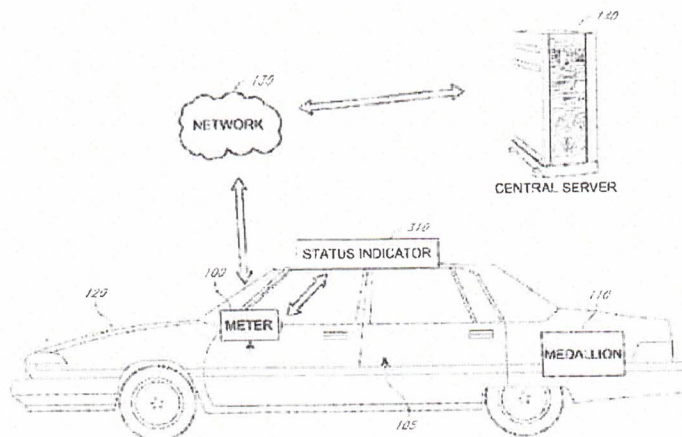
Primary Examiner — Daniel Vetter

(74) Attorney, Agent, or Firm — Peacock Law P. C.;
Justin R. Jackson

(57) **ABSTRACT**

Systems and methods for pairing for-hire vehicles with their associated medallion are disclosed. Some for-hire vehicles, such as taxis operate with a for-hire vehicle meter (taximeter). In some embodiments, the meter contains an identifier of a medallion that is associated with the meter. The meter may then determine if it is connected or properly associated with the medallion. If the meter is connected or properly associated with the medallion, it will then access the identification information of the medallion and determine if identification information matches its contained medallion identifier. If the identification information does not match, the meter may shut down and thereafter be non-engageable. The relationship between the medallion and the meter is advantageously used to enforce restrictions on the operation of the for-hire vehicle including, for example, time and location of pick-up restrictions. In other embodiments, meters and medallions communicate their identification and locations to a central server. The central server then compares the locations to determine the distance between the meter and the medallion. If the distance does not satisfy a predetermined range (indicating the meter and the medallion are close together), the central server may generate an alert or it may command the meter to shut down. The central

(Continued)



server may also advantageously be used to enforce restrictions on the operation of the for-hire vehicle. Meters and/or medallions not attached to their assigned medallion and/or meter may also be tracked via the central server.

20 Claims, 15 Drawing Sheets

Related U.S. Application Data

continuation of application No. 14/719,250, filed on May 21, 2015, now abandoned, which is a continuation of application No. 13/225,352, filed on Sep. 2, 2011, now abandoned.

(51) **Int. Cl.**
G07C 5/08 (2006.01)
G07C 5/00 (2006.01)

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US011200755B2

(12) **United States Patent**
Pinkus et al.

(10) **Patent No.:** **US 11,200,755 B2**
(45) **Date of Patent:** **Dec. 14, 2021**

(54) **SYSTEMS AND METHODS FOR PAIRING OF FOR-HIRE VEHICLE METERS AND MEDALLIONS**

(71) Applicant: **IVSC IP LLC**, Las Vegas, NV (US)

(72) Inventors: **Michael Collins Pinkus**, Alpharetta, GA (US); **Mark A. James**, Las Vegas, NV (US)

(73) Assignee: **IVSC IP LLC**, Las Vegas, NV (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 548 days.

(21) Appl. No.: **16/178,480**

(22) Filed: **Nov. 1, 2018**

(65) **Prior Publication Data**
US 2019/0213801 A1 Jul. 11, 2019

Related U.S. Application Data

(63) Continuation of application No. 14/719,250, filed on May 21, 2015, now abandoned, which is a (Continued)

(51) **Int. Cl.**
G07B 13/00 (2006.01)
G07C 5/08 (2006.01)
(Continued)

(52) **U.S. Cl.**
CPC **G07B 13/00** (2013.01); **G07C 5/008** (2013.01); **G07C 5/08** (2013.01); **G06Q 2240/00** (2013.01); **G07B 13/04** (2013.01)

(58) **Field of Classification Search**
CPC **G06Q 50/30**
See application file for complete search history.

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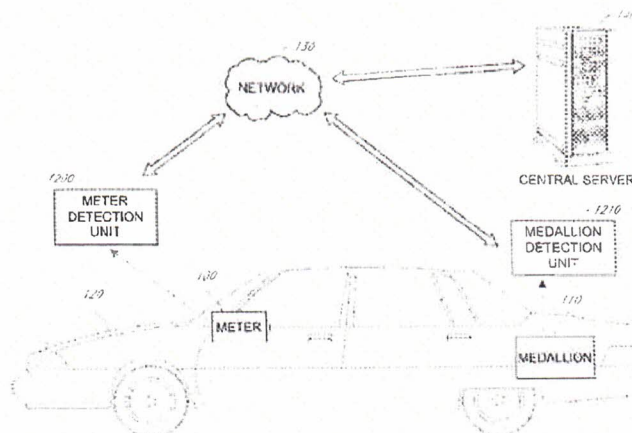
Primary Examiner — Daniel Vetter

(74) *Attorney, Agent, or Firm* — Peacock Law P. C.;
Justin R. Jackson; Deborah A. Peacock

(57) **ABSTRACT**

Systems and methods for pairing for-hire vehicles with their associated medallion are disclosed. Some for-hire vehicles, such as taxis operate with a for-hire vehicle meter (taximeter). In some embodiments, the meter contains an identifier of a medallion that is associated with the meter. The meter may then determine if it is connected or properly associated with the medallion. If the meter is connected or properly associated with the medallion, it will then access the identification information of the medallion and determine if identification information matches its contained medallion identifier. If the identification information does not match, the meter may shut down and thereafter be non-engageable. The relationship between the medallion and the meter is advantageously used to enforce restrictions on the operation of the for-hire vehicle including, for example, time and location of pick-up restrictions. In other embodiments, meters and medallions communicate their identification and locations to a central server. The central server then compares the locations to determine the distance between the

(Continued)



meter and the medallion. If the distance does not satisfy a predetermined range (indicating the meter and the medallion are close together), the central server may generate an alert or it may command the meter to shut down. The central sever may also advantageously be used to enforce restrictions on the operation of the for-hire vehicle. Meters and/or medallions not attached to their assigned medallion and/or meter may also be tracked via the central server.

20 Claims, 15 Drawing Sheets

Related U.S. Application Data

continuation of application No. 13/225,352, filed on Sep. 2, 2011, now abandoned.

(51) **Int. Cl.**
G07C 5/00 (2006.01)
G07B 13/04 (2006.01)

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US009037852B2

(12) **United States Patent**
Pinkus et al.(10) **Patent No.:** **US 9,037,852 B2**
(45) **Date of Patent:** **May 19, 2015**(54) **SYSTEM AND METHOD FOR INDEPENDENT CONTROL OF FOR-HIRE VEHICLES**3,698,627 A 10/1972 Kelch et al.
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(75) Inventors: **Michael Collins Pinkus**, Alpharetta, GA (US); **Mark A. James**, Las Vegas, NV (US); **James Alan Wisniewski**, Las Vegas, NV (US)(73) Assignee: **IVSC IP LLC**, Las Vegas, NV (US)

(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 78 days.

(21) Appl. No.: **13/225,360**(22) Filed: **Sep. 2, 2011**(65) **Prior Publication Data**

US 2013/0061044 A1 Mar. 7, 2013

(51) **Int. Cl.****G06F 21/00** (2013.01)**G07B 13/00** (2006.01)**H04L 29/08** (2006.01)**G07B 15/00** (2011.01)**G07C 5/08** (2006.01)(52) **U.S. Cl.**CPC **G07B 13/00** (2013.01); **H04L 67/12** (2013.01); **G07B 15/00** (2013.01); **G07C 5/085** (2013.01)(58) **Field of Classification Search**CPC **G07B 13/00**; **G07B 15/00**; **G07C 5/085**; **H04L 67/12**USPC **713/150-182, 189, 192, 193**
See application file for complete search history.(56) **References Cited****U.S. PATENT DOCUMENTS**3,589,486 A 6/1971 Kelch
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PDFAbstract: Vehicle telematics is the use of computing, Oct. 30, 2007.

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Primary Examiner — Chau Le

Assistant Examiner — Don Zhao

(74) Attorney, Agent, or Firm — Knobbe, Martens, Olson & Bear LLP

(57)

ABSTRACT

A computer system storing parameters pertaining to the regulatory restrictions placed on a for-hire vehicle compares the parameters to a current operating environment of the for-hire vehicle. In some embodiments, the computer system acts as the meter (such as a taximeter) of the for-hire vehicle. The operating parameters may include expiration or exclusion parameters that define the scope of operation of the for-hire vehicle stemming from the for-hire vehicle's medallion or certificate of public convenience and necessity. The expiration or exclusion parameters may also correspond to a driver's permit or any general regulation enacted by the regulatory agency. If the current operating environment does not comply with the expiration or exclusion parameters, the computer system shuts down, or enters a standby mode, and may not accept additional passenger fares until the current operating environment complies with the expiration and exclusion parameters.

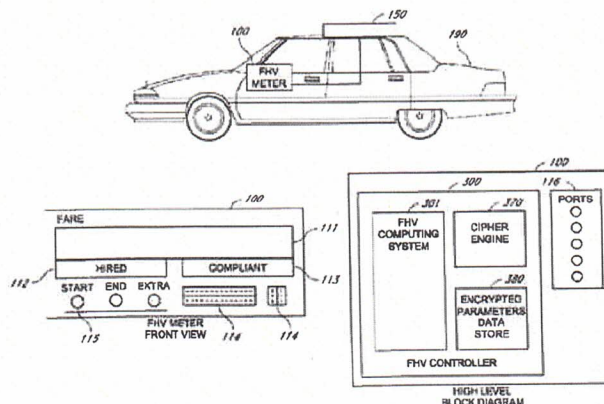
36 Claims, 9 Drawing Sheets

EXHIBIT “2”

NON-EXCLUSIVE PATENT LICENSE AGREEMENT

This non-exclusive patent license agreement ("Agreement") made and entered into and effective as of ____[DATE]____, is by and between IVSC IP LLC, a Nevada corporation ("Licensor"), and _____, a Nevada limited liability corporation, ("Licensee") (each a "Party" and collectively the "Parties" herein).

WHEREAS, Licensor has commenced a patent licensing program to (i) offer Licensor's current licensing terms and conditions relating to operators of for-hire taxicab vehicle fleets using for-hire vehicle management software, and (ii) enter into license agreements without delay and to avoid litigation and higher royalties;

WHEREAS, Licensee desire to obtain a royalty-bearing license under certain Licensor patents, and Licensor is willing to grant Licensee such license subject to the terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the promises and covenants in this Agreement, the Parties agree as follows:

1 Definitions.

- a. "Effective Date" of this Agreement shall mean the date first written above.
- b. "For-Hire Vehicle Service" means any taxi (not including black car, limousine, ride-sharing or other non-taxi cab service) that provides transportation to end-user customers.
- c. "Licensed Patents" means any issued or future Patent and/or any pending or future Patent Application that Licensor owns or controls (regardless of the applicant entity for such Patent and/or Patent Application) during the Term of this Agreement, including: (i) all patents that may issue based upon any of these patent applications or upon any corresponding foreign patent applications that have been or may be filed; (ii) all patents that may issue upon any continuations, continuations-in-part, or divisional applications related to any of the foregoing that have been or may be filed; and (iii) any divisions, reissues and reexaminations based on any of the foregoing.
- d. "Licensed Use" means any use of any technology that embodies or incorporates in whole or in part the inventions, methods and/or processes described in the Patents and/or Patent Applications.
- e. "Patents" and "Patent Applications" (collectively the "Patent Assets") mean the U.S. Pat. Nos. and Patent Applications set forth on Schedule A ("Patent Assets Schedule") annexed hereto. For purposes of clarity, the Patent Assets Schedule shall be deemed to be amended to include any and all future Patent and/or Patent Applications related to the subject matter of those Patent Assets initially set forth on Schedule A, and any and all Patent and/or Patent Applications related to autonomous and artificial intelligence vehicle software regardless of the IVSC applicant entity for any such Patent or Patent Application.
- f. "Subsidiary" or "Subsidiaries" means an entity (or multiple entities) of which shares of stock having voting power to elect a majority of the Board of Directors or other managers of such entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by the Party.

2 License Grant.

Patent License. Licensors grants to the Licensee a personal, non-exclusive, non-transferable, royalty bearing license under the Licensed Patents for the term specified in Section 5, below, and to practice any method or process involved in the use or other integration into a system or network relating to the operation of for-hire taxi cab vehicles.

3 Representations and Warranties.

a. Each Party hereby represents and warrants that: (i) it has the authority to enter into this Agreement and grant the licenses hereunder; and (ii) this Agreement is valid and binding and enforceable in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, bankruptcy reorganization, or similar laws affecting creditors rights generally. Licensors further represents and warrants that it has all right, title and interest in and to the Licensed Patents.

b. Licensors represents and warrants to Licensee that: (i) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering; (ii) it and its affiliates are the sole and exclusive owners of the entire right, title, and interest in and to the Patent Assets; (iii) it has, and throughout the Term will retain, the right to grant the license granted hereunder, and it has not granted, and is not under any obligation to grant, to any third party any license, lien, option, encumbrance, or other contingent or non-contingent right, title, or interest in or to the Licensed Patents that conflicts with the rights and licenses granted hereunder; (iv) there is no settled, pending, or to its knowledge threatened litigation, claim, or proceeding alleging that any right related to any or all of the Patent Assets is invalid or unenforceable (including any interference, nullity, opposition, inter partes, or post-grant review or similar invalidity or patentability proceedings before the United States Patent and Trademark Office or any foreign patent office), and it has no knowledge after reasonable investigation of any factual, legal, or other reasonable basis for any such litigation, claim, or proceeding.

c. Licensee, on behalf of its subsidiaries and affiliates, represents and warrants to Licensors that: (i) it is duly organized, validly existing, and in good standing as a corporation or other entity as represented herein under the laws and regulations of its jurisdiction of incorporation, organization, or chartering; (ii) it has not granted, and is not under any obligation to grant, to any third party any license, lien, option, encumbrance, or other contingent or non-contingent right, title, or interest in or to the Licensed Patents that conflicts with the rights and licenses granted hereunder.

d. Except as expressly set forth above, the Parties make no other warranty, whether express or implied, including warranties of merchantability or of fitness for a particular purpose.

4 Consideration, Royalty Payments, and Royalty Reporting.

a. Licensee shall pay Licensors a royalty of fifty cents (\$0.50) USD for each taxi-cab passenger ride in which Licensee's uses by for-hire vehicle software is covered by the Licensed Patents or Licensed Patent Applications ("Royalty"). Licensee shall make running royalty payments within thirty (30) days after the end of each calendar month ("Royalty Period") during which any transactions occurred. Royalties shall be calculated in the currency in which sales are made and, in the case of sales made in currency other than United States Dollars, the equivalent amount of the United States Dollars. Concurrently with monthly royalty payments, Licensee shall provide a report detailing the number of transactions.

b. It is the intent of the parties that the Royalty payment due by Licensee to Licensors shall be passed through to the applicable passenger for payment on a per-ride basis, as authorized by the applicable regulatory agency (or similar legislative body) overseeing the for-hire vehicle market, including, without limitation, the Nevada Transportation Authority, Taxicab Authority or other similar regulatory oversight body.

c. Licensee shall make all payments to Licensors or its designee in performance of any obligation of Licensee defined in this Agreement in United States Dollars by bank wire pursuant to the information identified in Schedule B. Licensors may, in its discretion, provide Licensee with written notice of alternative methods of payment. No royalties paid by Licensee shall be subject to refund except overpayments made in error and identified by Licensee within six (6) months of actual or constructive notice of such erroneous payment, whichever is later. Any refund that Licensee may be entitled to pursuant to this Agreement shall be taken as a credit in a subsequent Royalty Report; provided, however that if no further royalties are due under this Agreement, Licensee shall receive a refund instead of a credit. Such refunds shall be made to Licensee within thirty (30) days of notice.

d. Payments when provided for in this Agreement shall, when overdue, bear interest compounded monthly (prorated for periods of time less than one month) at an annualized rate of five percent (5%) over the prime rate quoted by *The Wall Street Journal*, on the date that the payment is due, for each month during the delinquency. If the amount of such charge exceeds the maximum permitted by law, such charge shall be reduced to such maximum.

e. Licensee shall keep books and records adequate to accurately determine the payments due under this Agreement. Licensee shall retain such books and records for at least three (3) years after the payment to which they relate. Licensors shall have the right, no more than twice per calendar year, to have an independent certified public accountant inspect all relevant books and records of the other party on thirty (30) days' prior written notice and during regular business hours to verify the reports and payments required to be made pursuant to this Agreement. Such independent certified public accountant shall be selected by the auditing party and shall be reasonably acceptable to the other party. The auditor shall enter into an appropriate nondisclosure agreement with the audited party and any necessary third parties, and shall disclose no more information than is reasonably necessary to complete the audit. Should an underpayment in excess of five percent (5%) be discovered, Licensee shall reimburse Licensors for the cost of the audit. In any event, Licensee shall promptly pay any underpayment together with interest at the compounded annual Prime Rate as reflected in *The Wall Street Journal* on the last day of each month during the period of the delinquency.

f. Notwithstanding anything set forth herein, in the event a third-party licensee (other than Licensee) does not purchase a second licensee for the Patent Assets within the time period of three (3) years from the Effective Date (which such second licensee sale must constitute an "arm's length" transaction with a third-party customer), the Royalty fees and related obligations set forth herein shall be *suspended* until such time as a second licensee executes a license agreement with Licensors in accordance with the foregoing.

5 Term and Termination.

a. The term of the Agreement shall commence upon its Effective Date and shall continue until the expiration date of the last valid claim of the issued Licensed Patents to expire. Either party may terminate this Agreement at will after the tenth anniversary of the Effective Date of this Agreement and after providing 90-days' notice to the other Party. In the event of the failure of the Parties to obtain the authority to pass through the Royalty fee payments in accordance with Section 4.b above, then the Parties, and requisite corporate officers thereof, agree to meet in good faith to negotiate the agreed upon per ride Royalty fee, and amend the Agreement to reflect such updated Royalty fee pricing as may be mutually

agreed upon at such time. Upon termination under this provision, the Royalty reporting and record keeping obligations of Section 4 shall continue for three (3) years following termination. Additionally, Section 7 (Miscellaneous), Section 2.b. (Release) and Section 2.c. (Indemnification) shall survive termination.

b. In the event a party to this Agreement breaches any provision of this Agreement and fails to cure such breach within forty-five (45) days of receipt of written notice of such breach, the other party to this Agreement may, in its sole discretion, terminate the Agreement upon written notice to the other party.

c. Termination of this Agreement by mutual written agreement of the parties to this Agreement shall not, unless otherwise agreed by the parties, have the effect of terminating, revoking, or withdrawing rights and obligations set forth in this Agreement with respect to matters after the Effective Date and up through and including the effective date of the termination.

7. Covenant Not to Contest Patent Validity. Licensee covenants that it will not at any time after this Agreement is executed bring, or assist others in any effort to bring, an action or other proceeding to contest the validity of the Patents. Breach of this covenant shall be grounds for Licensor to (1) bring an action for damages against Licensee for the reasonable legal expenses and other fees incurred in defending the validity of the Patents, and (2) to automatically raise the royalties due from Licensee to three times the royalty amount then due to Licensor.

8. Miscellaneous.

a. Assignment. This Agreement may not be assigned by either party without the express prior written consent of the other party, except in connection with a merger, acquisition, reorganization, or sale of all or substantially all of such party's assets or equity ("Transaction"). The license set forth in Section 2, however, shall continue to cover and apply only to any Licensed Use in existence as of the effective date of the transaction and assignment. This Agreement is binding upon and inures to the benefit of the parties hereto, and their permitted assigns. If the Licensee enters into any Transaction with another entity, the other entity involved in the Transaction will not, under any circumstances, be released for any of its past infringement of the Licensed Patents as a result of the Transaction, unless the surviving entity is licensed under Section 2 of this Agreement after the date of the transaction pursuant to an effective assignment in accordance with this Section.

d. Notices. All notices, requests, consents, claims, demands, waivers, and other communications (other than routine communications having no legal effect) must be in writing and sent to the respective Party at the addresses indicated below (or such other address for a Party as may be specified in a notice given in accordance with this Section):

If to Licensor:

Neal Tomlinson
General Counsel
IVSC IP, LLC
2857 Paradise Road, Suite 301
Las Vegas, NV 89109

Concurrently emailed to: neal@hyperionlawyers.com

And copied to:

Noah Mesel
Strategic IP Business Advisors LLC
988 Olivia Parkway
Henderson, NV 89011

Concurrently emailed to nmesel@strat-legal.com

If to Licensee:

Concurrently emailed to

And copied to:

Concurrently emailed to

e. Dispute Resolution. The Parties shall engage in good-faith negotiations regarding any dispute that arises under this Agreement. To the extent that the Parties cannot resolve their dispute within thirty (30) days of a dispute arising, the Parties shall arrange for mediation prior to the filing of any lawsuit. Such mediation shall take place within sixty (60) days of notification of a dispute. The Parties may, by agreement, extend this deadline.

f. Confidentiality. The Parties shall keep the terms of this Agreement confidential and shall not now or hereafter divulge these terms to any third party except: (a) with the prior written consent of the other Party; (b) as may be required by applicable law, regulation or order of a governmental authority (and to legal counsel, insurers, accountants, banks, and financial sources and advisors as is reasonably required in connection with compliance with such law, regulation or order), provided that (i) before such disclosure, prompt written notice must be given to, and receipt acknowledged by, the non-disclosing party allowing it to determine whether such disclosure should be protected from public disclosure, and (ii) it is disclosed subject to an ethical obligation of confidentiality, pursuant to a confidentiality agreement, or pursuant to a court-mandated protective order; (c) to (i) owners, directors, managers, advisors, legal counsel, insurers, accountants, banks, and financing sources; or (ii) counterparties and their advisors; if reasonably required in connection with undertaking corporate or financial transactions, provided it is disclosed subject to an ethical obligation of confidentiality or pursuant to a confidentiality agreement; or (d) a business partner strictly on a need-to-know basis, provided that in advance of disclosure the partner agrees to keep confidential the fact of this Agreement, and provided further that the Party shall not disclose any of the specific terms of this Agreement without the other Party's prior written consent.

g. Governing Law; Jurisdiction; Legal Expenses. This Agreement will be interpreted in accordance with and governed by federal law, where applicable, and the laws of Nevada, without giving effect to any choice of law rules. All disputes and litigation regarding this Agreement and matters connected with its performance will be subject to the exclusive jurisdiction of the state and federal courts of the State of Nevada, and each party irrevocably consents and submits to personal jurisdiction in those courts for purposes of this Agreement. All costs and expenses incurred by the prevailing Party in any litigation related to this Agreement, including reasonable attorney fees and costs of litigation, will be paid by the other Party.

h. Severability. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under any present or future law, and if the rights or obligations of any party to this Agreement will not be materially and adversely affected thereby, (i) such provision will be fully severable, (ii) this Agreement will be construed and enforced as if such illegal, invalid, or unenforceable provision had never been part of this Agreement, and (iii) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement.

i. Counterparts; Electronic Copies. This Agreement may be signed in one or more counterparts, each of which is an original, and all of which together constitute only one agreement between the Parties. Delivery of an executed counterpart by electronic mail in portable document format (.pdf), an electric document signing platform (e.g., DocuSign) or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

IN WITNESS WHEREOF, each of the parties has caused two original copies of this Agreement to be executed on its behalf by its duly authorized officer as of the Effective Date.

LICENSEE

IVSC IP, LLC .

Signed

Signed

Print Name

Title

Schedule A

Patent Assets Schedule

- United States Patent, Patent No.: US 11,615,649 B2 (SYSTEMS AND METHODS FOR PAIRING OF FOR-HIRE VEHICLE METERS AND MEDALLIONS).
- United States Patent, Patent No.: US 11,200,755 B2 (SYSTEMS AND METHODS FOR PAIRING OF FOR-HIRE VEHICLE METERS AND MEDALLIONS).
- United States Patent, Patent No.: US 9,037,852 B2 (SYSTEM AND METHOD FOR INDEPENDENT CONTROL OF FOR-HIRE VEHICLES).
- United States Patent, Patent No.: US 12,062,069 (TRANSACTION AND COMMUNICATION SYSTEM AND METHOD FOR VENDORS AND PROMOTERS)
- United States Patent Application Publication, Pub. No.: US 2022/0222763 A1 (FOR-HIRE VEHICLE MANAGEMENT STSTEMS AND METHODS).
- United States Patent Application Publication, Pub. No.: US 2020/0014757 A1 (TAMPER EVIDENT SYSTEM FOR MODIFICATION AND DISTRIBUTION OF SECURED VEHICLE OPERATING PARAMETERS).
- United States Patent Application Publication, Pub. No.: US 2021/0209646 A1 (TRANSACTION AND COMMUNICATION SYSTEM AND METHOD FOR VENDORS AND PROMOTERS).
- United States Patent Application Publication, Pub. No.: US 2021/0012580 A1 (REGULATING DRIVER VEHICLE INPUT CHOICES IN FOR-HIRE VEHICLES).
- United States Patent Application Publication, Pub No.: US 2020/0410541 A1 (DYNAMICALLY CHANGING DISPLAY ON FOR-HIRE VEHICLES).

Schedule B

Payment Instructions

[Licensor to Insert]

DRAFT

EXHIBIT “3”

BEFORE THE STATE OF NEVADA TAXICAB AUTHORITY

IN THE MATTER OF THE APPLICATION OF)
 DESERT CAB CO. TO ADJUST TAXICAB)
 CHARGES TO INCLUDE A PASS-THROUGH)
 SOFTWARE LICENSE CHARGE)

**DECLARATION OF GEORGE BALABAN IN SUPPORT OF AMENDED APPLICATION
 OF DESERT CAB CO. TO ADJUST TAXICAB CHARGES TO INCLUDE A PASS-
 THROUGH SOFTWARE LICENSE CHARGE**

I, GEORGE BALABAN, duly sworn upon oath, depose and state:

1. I am the President of Desert Cab, Inc ("*Applicant*").
2. I am over the age of 18 years old and have personal knowledge of the facts herein and am competent to testify thereto.
3. During the past six (6) or more years, pursuant to NRS 706.8836, the Nevada taxicab industry has utilized various software systems, devices and methods to improve taxicab service for the direct benefit of the riding public, including "smart meters".
4. The main provider in Clark County is Kaptyn Nevada, LLC ("*Kaptyn*"), who licenses its systems to current Clark County certificate holders, such as Applicant.
5. Third-party technology company, IVSC IP, LLC ("*IVSC*") contends that these systems, devices and methods are described in five (5) patents issued to IVSC by the U.S. Patent Office, along with five (5) pending related patent applications presently being prosecuted by IVSC.
6. These patents have been asserted by IVSC against Kaptyn.
7. To resolve disputes, Kaptyn is prepared to enter into a third-party licensing agreement with the patent holder, IVSC, to license the technology that IVSC alleges is being infringed upon by the above-described issued patents.
8. These technology systems touch important aspects of the transportation services currently being provided in Clark County, from which the riding public directly benefits from their use.
 - i. A for-hire vehicle system that automatically determines compliance with regulatory authorization rules including a taxi meter, to properly manage passenger fares and other variables associated with the operation of the particular vehicle (including optimal dispatch and home

1 locations and compliant passenger fares); and

2 ii. A for-hire vehicle meter updating system that implements an automatic and
3 secure exchange of key operational information including, for example, fares based on time and distance,
4 special fares for certain events, cost surcharges, security measures and occupant privacy.

5 9. To date, the riding public has been conferred these enhanced benefits without any
6 supplemental fee or charge.

7 10. The proposed rate surcharge is a justifiable pass through to the public, in light of the
8 services being provided.

9 11. Public safety, security, data protection and also regulatory oversight are all advantages
10 to the transportation customers and the fee proposed is commensurate for such services and
11 improvements to the ride experience.

12 12. Moreover, and notwithstanding the benefits conferred to the riding public through use
13 and application, the proposed license agreement and trip surcharge will forego the extremely costly,
14 time consuming and uncertain litigation process that would cripple the industry if not resolved.

15 13. I further intend to elaborate on my testimony through written, pre-filed testimony as
16 well as live testimony, in accordance with the procedures established by the hearing officer.

17 I declare under the penalty of perjury under the laws of the State of Nevada that the foregoing is
18 true and correct.

19 DATED this 5th day of March, 2025

Signed by:

George Balaban

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GEORGE BALABAN