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Leslie L. Jacobs, Jr.  
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March 23, 2018

Mr. Miguel Bombach  
Perkins Coie  
11988 El Camino Real  
Suite 350  
San Diego, CA. 92130-2594

**VIA EMAIL  
CONFIDENTIAL**

Re: Intellectual Property Rights of GTX Corp.

Dear Mr. Bombach:

Thank you for your letter of March 1, 2018.

We disagree with your assertion that Clicker Heroes does not infringe the '838 patent. Although you maintain that Clicker Heroes is "client" software, we note that Playsaurus offers a browser-based implementation of its software that is hosted on a web portal, located on the internet at [www.kongregate.com/games/Playsaurus/clicker-heroes](http://www.kongregate.com/games/Playsaurus/clicker-heroes). See attached our updated Complaint dated March 23, 2018. The selection/authorization/purchase made with respect digital goods is all carried out while at the aforementioned website. GTX's infringement allegations with respect to Clicker Heroes are not meritless and it continues to analyze the operation of Playsaurus' software across platforms.

Regarding "download routine", there is no requirement that a download occur "after" selection. The specification of the '838 patent clearly states that the "user [may have] downloaded a selected software product in the past." '838 Patent at 14:17-28. Regarding the "vendor website" limitations, which you state is never involved in selection, GTX disagrees with this assertion. As shown in the attached Complaint, the browser based implementation does in fact implicate a website for the recited selection. Because there is a connection to a "vendor website" and because the "download routine" limitation is satisfied in the accused implementation of Playsaurus' software that is hosted by a web portal, GTX allegations have merit and your assertions to the contrary are based on your false and misleading statements.

With regard to Alice, we disagree with your conclusion. Your letter did not address the expert report that we provided which, of course, is relevant to that analysis. Obviously, GTX disagrees with your assertion in light of the specific allegations in the Complaint that are based on expert opinion, which was un rebutted in your letter.

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Regarding prior art, Playsaurus has the burden of establishing by clear and convincing evidence, the invalidity of the claims of the '838 patent and Playsaurus has not met this burden. Setting aside authentication and hearsay issues, the prior art you have identified is underwhelming at best. It does not establish the invalidity of any claim of the '838 Patent.

Although you identified a webpage, <http://www.neopets.com/newfeatures/jan2000.phtml>, we note that the identified website says nothing of "neocash" or its use during the relevant time frame. As such, the web page clearly does not teach or suggest the claimed subject matter of the '838 Patent.

Regarding the *Ferreira et al.* reference, we note that "e-cash" and its use of a central authority is explicitly disclosed in the background section of the '838 Patent. See '838 Patent at 2:44-62. GTX sees *Ferreira et al.* as being cumulative of the information already before the Patent Office during prosecution.

You provided a discussion of the '936 Patent and the '101 Patent regarding a phantom claim that is not even a complete claim from the '838 Patent (or even the patent application that you identified). Nor does the phantom claim, or the combined teachings of the '936 and '101 Patents, for that matter, include features which distinguished the claims of '838 patent over the prior art. As such, your comparison to the phantom claim is not even relevant. More importantly, the '936 and '101 patents do not anticipate or render obvious the claims of the '838 Patent.

Regarding prior licenses, we note that even if you are correct concerning the impact of those licenses, which we dispute, it does not address each instance of alleged infringement that does not involve any prior licensees.

Finally, we note that your client has gone out of his way to destroy GTX's reputation. As such, GTX has included a libel per se claim against your client. We are closely monitoring your client's statements in the media and on the internet, and GTX will vigorously defend any attempts to destroy its reputation. Although GTX had hoped for an amicable business resolution, in light of your client's scorched earth approach to destroying GTX's reputation, GTX is forced to move forward with its libel claim to protect its reputation in addition to moving forward with its claim for patent infringement.

In light of the foregoing, GTX disagrees that its claim is meritless or that you will be entitled to any attorney's fees.

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The information contained herein and included within the enclosed draft complaint is not exhaustive and should not be construed as a waiver of any of GTX's rights and remedies at law or in equity, and GTX hereby reserves all such rights without prejudice.

Sincerely,



Leslie L. Jacobs, Jr.

Enclosures