



Statement to the Media

Blackboard, Inc. has sued iParadigms, the parent company of Turnitin

- iParadigms provides the service Turnitin to thousands of institutional clients and millions of users in over 90 countries
 - Turnitin is a hosted service which is used for the digital assessment of student work: checking work for originality, allowing students to peer review each others' work, and empowering faculty to grade and assess student work via a web browser
 - Turnitin receives tens of thousands of student papers every day
 - At the request of its clients, Turnitin has integrated with several LMS systems including Moodle, Sakai, ANGEL, WebCT, and Blackboard
 - Turnitin's integration with Blackboard is designed to help Turnitin users easily access Turnitin technology via the Blackboard LMS
- Blackboard sued iParadigms in Federal Court in California
 - The suit has not yet been served, but we have been told by Blackboard that such service is imminent
- It is our understanding that the lawsuit is a Declaratory Judgment lawsuit
 - A declaratory judgment lawsuit is a preemptive lawsuit someone brings when they think they are going to be sued
 - We were not intending to sue Blackboard
 - We were surprised by the lawsuit
 - We generally do not expect such things from our business partners
 - It appears that the lawsuit was brought in response to letters we sent to Blackboard notifying them of a patent we recently had issued
 - Our letters asked Blackboard to educate us regarding whether a new technology Blackboard acquired was related to our patent so that we could see if it was appropriate to establish an additional business relationship with Blackboard
 - Rather than having this business discussion, Blackboard unilaterally canceled our attendance at the BlackboardWorld Conference in July and then filed the lawsuit
 - Our understanding of the lawsuit is that Blackboard believes that they have unlimited access to all of our intellectual property though our

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existing Blackboard Building Blocks (i.e., developer) contract with Blackboard, “In any event, iParadigms has agreed by contract not to assert any intellectual property rights against Blackboard with respect to either U.S. Patent No. 7,219,301 or any other patent related to iParadigms Turnitin product or any iParadigms products offered as part of the Blackboard Building Blocks program. We further note that iParadigms has agreed to a nondisparagement clause, which Blackboard expects iParadigms to honor.” These are the words from Blackboard’s legal counsel.

- We believe any discussions about this should be held in a business setting, not in a courtroom.
- The Blackboard lawsuit asks for: 1) a perpetual license to our patented technology and 2) a declaration that the same patented technology is invalid.
- Since the lawsuit was filed, we have been talking to Blackboard.
 - We have sought to resolve any disputes through business discussions
 - Fearing that Blackboard may have misinterpreted our letters, we informed Blackboard of the intent of the letters and explained that we wished to continue a cooperative business relationship with Blackboard and did not intend to sue them.
 - To address the Declaratory Judgment lawsuit, we indicated that we were willing to enter into a new agreement promising not to sue Blackboard (which we weren't planning on doing anyway) for the duration of our existing cooperative business relationship, which we hope would run indefinitely
 - Blackboard has not agreed to this
 - Blackboard instead has asked that we provide an unlimited, perpetual grant of all of our intellectual property, going well beyond the scope of the technologies involved in our current relationship with Blackboard
 - We do not believe anyone would agree to such terms
 - In exchange for not suing us, Blackboard wants, “Paradigms (and/or iParadigms’ corporate parents, subsidiaries, affiliates, divisions, officers, directors, shareholders, members, heirs, executors, administrators, beneficiaries, trustees, representatives, employees, assigns, agents, predecessors, and successors, to the extent any exist): (1) covenants not to bring any claim against Blackboard (and/or Blackboard’s corporate parents, subsidiaries, affiliates, divisions, officers, directors, shareholders, members, heirs, executors, administrators, beneficiaries, trustees, representatives, employees, assigns, agents, predecessors, and successors, to the extent any exist) in any court, forum, or tribunal, inside or outside of the United States, with respect to either (i) any patent issued as of the date of the execution of this Settlement Agreement, including but not limited to U.S. Patent Nos. 7,219,301 and 6,976,170, or (ii) any patent whose application is

pending as of the date of the execution of this Settlement Agreement; (2) licenses to Blackboard all patent rights with respect to any patent issued as of the date of the execution of this Settlement Agreement, including but not limited to U.S. Patent Nos. 7,219,301 and 6,976,170; and (3) agrees to license to Blackboard all patent rights with respect to any patent whose application is pending as of the date of the execution of this Settlement Agreement upon issuance of the patent...” in perpetuity. These are the words from Blackboard’s legal counsel.

- It is our understanding — before and after signing the Blackboard Building Blocks Agreement — that the Agreement did not cover all of our current and future intellectual property in perpetuity
 - It is our hope that a reasonable business relationship can be established.
 - We believe we have been very flexible in this regard, going well beyond where most companies would go
 - We worry that Blackboard will take the same position with all of their other Building Block Developers which may disrupt the industry more generally

- Our primary goal is to make sure our customers continue to enjoy our products in a manner they are accustomed to
 - We believe that we have the best plagiarism detection and academic assessment system on the market
 - We hope to avoid any legal disputes and feel that they are unproductive
 - Should Blackboard pursue their lawsuit, it is our goal to make this invisible to our customers in terms of the quality of the products and services they receive from us
 - We hope that Blackboard does the same and does not attempt to disrupt customer relationships, products, or services

- The bottom line is that we have had a great relationship with Blackboard for many years. Together we have made important contributions to learning. We regret that our present cordial discussions have entered the public forum. It is our hope and wish that we resolve the present issues quickly and resume our mutually beneficial relationship. We have the utmost respect for Blackboard and its key contributions to learning.

iParadigms, LLC (www.iparadigms.com) is the leading provider of web-based solutions to check documents for originality and plagiarism. The company’s products include: Turnitin, an internet service used by tens of millions of students and faculty for the digital assessment of academic work; and iThenticate, an internet service which enables companies to determine originality and check documents for misappropriation. iParadigms is headquartered in Oakland, CA

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