

Confidential – Attorney Work Product

Jeep – Bartact History

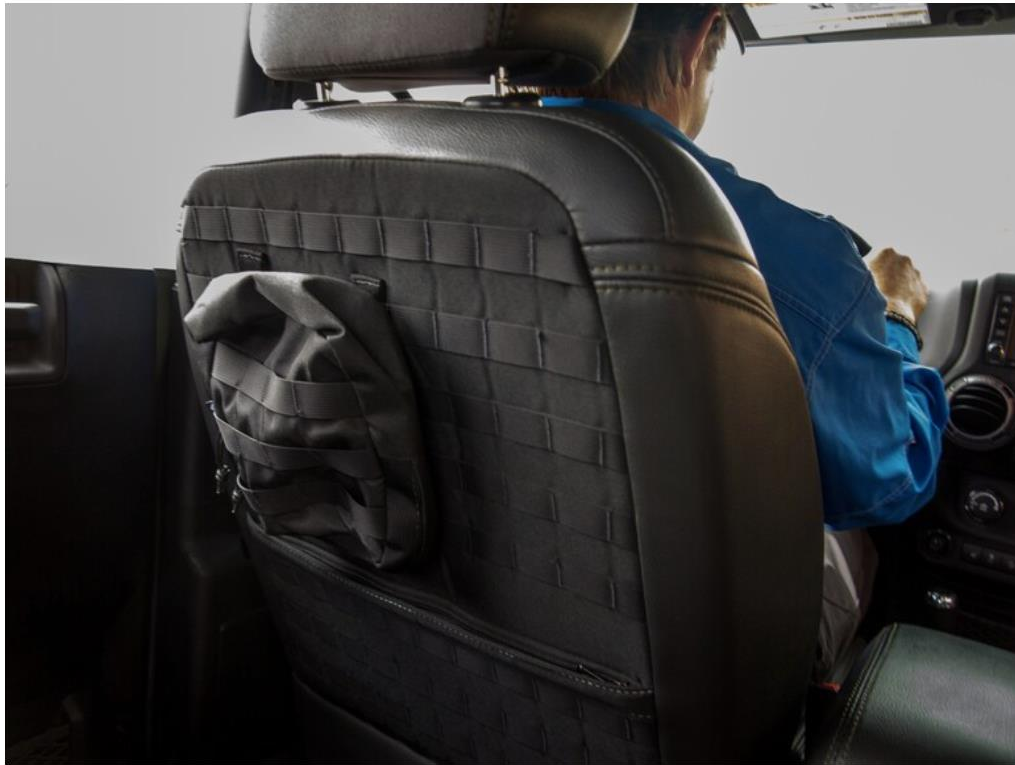
Potential Infringers:

All Jeep Wrangler Rubicon Editions & Wrangler Mojave Edition, All Jeep Gladiator Rubicon Editions and Mojave Edition

History:

Jeep visited the Bartact trade show booth at the SEMA, after we filed our provisional application on the seat concepts. Many members of Jeep corporate kept returning to the booth to ask how the MOLLE system worked because they saw it on our seat covers (we did not make actual seats at the time, but the patent had been filed). I explained how the system worked, and its versatility.

Jeep team members then reached out to us over the phone, wanting to 'work together' to 'help us out'. They asked for 3 sets of Bartact (my company) seat covers with the MOLLE System for their Jeep Wranglers that would supposedly be traveling around to different locations throughout the country. Our seat covers would in turn be seen by numerous dealers and consumers, which would potentially generate a lot of sales of our seat covers. After shipping the seat covers to Jeep, not only could they not tell me what vehicles the seat covers went on, but we couldn't get the photos they had promised, and I was even told that they were probably lost somewhere. However, in early 2016, at Easter Jeep Safari in Moab, it was confirmed that a new concept Jeep there that Jeep called the 'Jeep Crew Chief 715' had our seat cover backs on it. <https://www.motortrend.com/features/1605-2016-jeep-concepts-what-details-will-make-it-to-production?galleryimageid=d348a276-b0cd-4d49-a43c-d8660452e39c>



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2016 Jeep Concepts - What Details Will
Make It to Production?



In the photo, it is clear that Jeep has taken our 'partnership' seat covers apart, and sewn the back with the MOLLE system to the back of Katzkin (competing leather seat cover brand who Jeep works with) seat covers and used them on their vehicle prototype seats. Jeep also took our MOLLE pouch (a modular bag that can be attached anywhere on our MOLLE storage system that we included with our seat covers we sent Jeep) and mounted it upside-down, attempting to hide our logo. However, as you can see below, it is still somewhat visible on the pouch.

Apparently, Jeep received great feedback from utilizing the MOLLE system on the back of their seat, and it is our belief that this is why it was added to the 2018+ Jeep Wrangler JL & JLU Rubicon, and then to the 2019+ Jeep Gladiator vehicles. As a side note, it is 100% known that these are our seat backs we sent Jeep for a few reasons. First of all, we are the only company who makes them in this exact style. Also, this is our custom fabric with foam backing, and also our custom UV protected webbing sewn to the seat using bar tack stitches. Our zippered pocket is also like no other, and we are the only ones who use this type of zipper. Lastly, although it can't be seen in this picture due to the image changes, there are two rows of stitching at the top of the rear pocket that are both green. One of the 3 sets of seat covers we sent to Jeep for our 'co-op' was all black with green stitching through the seat. When we use a custom stitching color, only those two rows of stitching are that custom color on the back.

Since that time, there were telephone and email exchanges with the head of engineering from Jeep (see below):

From: Walk Way <orders@walkwaygear.com>
Subject: Re: Seat Patent Opportunity for Jeep
Date: January 27, 2020 at 3:26:38 PM PST
To: John Adams <john.adams@fcagroup.com>
Cc: Walk Way <orders@walkwaygear.com>

John,

I hope you're having a good beginning to the year. Attached are some photos of a new product we have developed. As you and I discussed over the phone in August, you suggested that we complete a prototype of the new item prior to looking into it in more detail. This Bag/Cooler/Pet divider works on all Jeep Wranglers from 2007-current, as well as many other vehicles with adjustable headrests, including the Dodge Durango (as shown in the picture). It can also be attached behind an seats with adjustable headrests, or flat on the ground, and can be carried with a grab handle on top, shoulder strap, or used as a backpack depending upon the adjustable configuration. It is in our patent claims in the same filing as our granted patent 10,308,301 that I had previously sent information regarding. Please let me know your thoughts.

Thanks,

Mitch Walk
Walkway Inc
M 951-973-8850
F 951-271-9085

On Jul 24, 2019, at 2:23 PM, Walk Way <orders@walkwaygear.com> wrote:

John,

I just wanted to make sure you received my previous email. Please let me know if you need anything else from me at this time.

Thanks,

Mitch Walk
Walkway Inc
M 951-973-8850
F 951-271-9085

On Jun 18, 2019, at 1:14 PM, Walk Way <orders@walkwaygear.com> wrote:

John,

We've proven sales over many years regarding the MOLLE/PALS on the seats and seat covers, but are you referring to that, or to the Bag/Pet Divider that goes between/on back of the seats? We do have means of manufacturing, realized concepts, and production models finished.

Thanks,

Mitch Walk
Walkway Inc
M 951-973-8850
F 951-271-9085

On Jun 13, 2019, at 1:46 PM, John Adams <john.adams@fcagroup.com> wrote:

Mitch,

Thanks for the note. If you have a proof of concept and a way of manufacturing this concept in volume that would be great.

thanks

John Adams
Jeep Wrangler (JL) Engineering Model Responsible
Cell 248 425 9459

On Thu, Jun 13, 2019 at 2:32 PM Walk Way <orders@walkwaygear.com> wrote:

John,

Sorry for the delay getting this information over to you. I went to the Jeep Heritage Festival in Bantam this past weekend and am just getting back into the swing of things.

I've attached the portion of the patent that is currently granted. We also have other claims that are still being examined, and hope to have most/all of those finalized in the coming months; including the ones for between the seats like we spoke about.

Please let me know if you think we could work together on some things. I'll look forward to hearing back from you.

Thanks,

Mitch Walk

After learning about the patent, communications with their IP Counsel have occurred. (Shown Below).



Intellectual Property Office

August 11, 2021

Sent Via UPS

Stinson LLP

Mr. Jason Conway
Partner
7700 Forsyth Blvd.
Suite 1100
St. Louis, MO 63105

Re: U.S. Patent No. 10,308,301

Dear Mr. Conway,

I write in response to your letter dated April 6, 2021, regarding your allegations of infringement of U.S. Patent No. 10,308,301 (the '301 patent), to Mitch Walk, by the Jeep® Utility Grids (Utility Grids).

In response to your allegations, we believe there is lack of validity of at least independent claims 1 and 12 in view of U.S. Patent 10,144,315 (the '315 patent). I have included a copy of the '315 patent herewith. Further, although not mentioned in your April 6, 2021 letter, we have reviewed the dependent claims of the '301 patent, and believe those claims are also invalid in view of the '315 patent, or alternatively, are not infringed by the Utility Grids.

Based on the information provided in your April 6th letter, we are unable to see a basis to support an allegation of infringement of the '301 patent by the Utility Grid, and therefore, we do not believe a license would be needed. We trust the above fully explains our position and resolves this matter, but if you have any additional information you would like us to consider, please let us know.

Sincerely,

A handwritten signature in blue ink that reads "Jeremy J. Klobucar".

Jeremy J. Klobucar
FCA US LLC
Senior Staff Counsel – Intellectual Property

As you will see they cite a patent (10,144,315) that we do not believe reads on our concept for the following reasons:

1. The '315 does not have "an accessory assembly on the *rear back portion*" of the seat (Claim 1)
 - a. Instead, the '315 discloses straps attached to a hardshell on the underside of a seat
2. The '315 does not disclose "plastic stabilizing components coupled to the frame" (Claim 1)

3. The '315 does not disclose a "rear back portion [that] defines a plurality of slots, wherein the plastic accessory frame further comprises a plurality of projections mateably received in the slots to secure the plastic accessory assembly to the rear back portion". (Claim 2)
4. The '315 does not disclose that "the plastic accessory frame and the plastic stabilizing components are molded together" (Claim 4)
5. The '315 does not disclose "straps are coupled to the plastic stabilizing components". (Claim 10)
6. The '315 does not disclose "the plastic accessory assembly is coupled to the rear back portion by snap-fit connection". (Claim 11)

Manufactured Product for Lost Profits:

<https://www.bartact.com/collections/new-products/products/canam-maverick-x3-tactical-seat-front-or-rear-w-pals-molle-panel-bartact-mount-sold-separately-patents-and-patent-pending>

Pricing for Jeep seats:

- The attachment system is stock so there is no comparison for a seat with or without the MOLLE system.
- A replacement seat is ~\$2,500
- It appears a replacement attachment system can be purchased for \$240/seat as a replacement part: <https://www.moparpartscorp.com/oem-parts/mopar-front-seat-back-panel-6cd99tx7ad?c=Zz1pbnRlcmlvci10cmItJnM9ZnJvbnQtc2VhdHMtZmlyc3Qtc93Jmw9OSZuPVNIYXJjaCBSZXN1bHRzJmE9amVlcCZvPXdyYW5nbGVyJnk9MjAyMCZ0PXJ1YmliY24mZT0yLTBsLWw0LWdhcw%3D%3D>

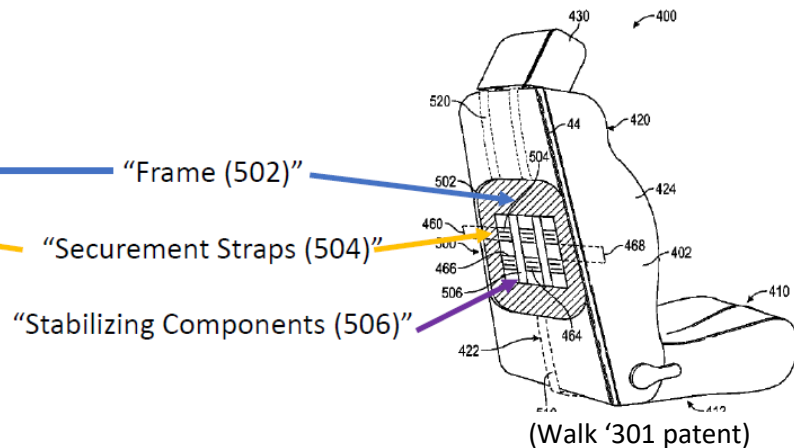
Walk '301—Secure Attachment System

Mitch Walk founded Bartact, Inc. (originally Trek Armor) in 2011 to supply rugged storage and attachment systems for Jeeps, trucks, and other off-road vehicles. He began gaining commercial success after debuting his designs at trade shows, and in 2015 filed for a patent on advanced seat systems with integrated securement assemblies. He then met with Jeep representatives at a trade show, discussed his designs and technology, and showed them various embodiments. Jeep requested and received samples under the guise of a potential collaboration.

Jeep never pursued any partnership, and told Mitch that the samples were lost. But in 2016, the Bartact samples were spotted in Jeep photos for concept vehicles. (Although Jeep tried to hide identifiers, distinct markings and features confirm these were Bartact) Jeep then began including Bartact's patented system in some 2018 Wranglers, expanding each year to more models:



(Jeep's "Utility Grids" Seat)



(Walk '301 patent)

Telephone and email attempts to discuss resolution were unsuccessful, especially after Mitch disclosed his Walk '301 patent to Jeep on June 13, 2019. The correspondence then escalated to attorneys. In that correspondence, Jeep raised prior art—which is easily distinguishable, and no invalidating art is known—but Jeep never disputed that it infringes claims 1 and 12 of the Walk '301 patent. Claim charts confirming that infringement are available.

Addressable Jeep sales through trial (YE2024) are est. 600,000 vehicles. Based on a replacement part cost of \$220/unit, and 2 seats/vehicle, this yields \$264M in apportioned sales through trial, with significantly more through expiration in 2035. Bartact's gross margin exceeds 75%, and it proved its ability to scale production when it mass-produced PPE during COVID. Even assuming some capital cost to expand capacity to service the full market, this still would support lost profit damages of ~\$150M+. If limited to reasonable royalty damages, a 60/40 profit apportionment model would still yield \$79M in trial damages. And as set forth above, significant basis for enhancement (up to 3x) exists for either approach, due to the willful nature of Jeep's infringement.