

JURISDICTION AND VENUE

3. This action arises under the United States Patent Laws, codified at 35 U.S.C. §§ 1, et seq., including §§ 271 and 281. This Court has exclusive subject matter jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

4. This Court may exercise jurisdiction over Addison because this forum has an interest in adjudicating this dispute.

5. Venue is proper in the Eastern District of Texas pursuant to 28 U.S.C. §§ 1391(b) and (g).

PATENT INFRINGEMENT

6. United States Patent No. 6,778,085 (the ‘085 Patent”), entitled “Security System and Method with Realtime Imagery” was duly and lawfully issued by the USPTO on August 17, 2004, after full and fair examination. The ‘085 Patent relates generally to video security systems, and in particular to such systems that record, store, and transmit images through the use of computer equipment, digital storage, and an electronic communications network. Plaintiff 3rd Eye is the exclusive licensee of all rights in the ‘085 Patent and possesses all rights of enforcement and recovery under the ‘085 Patent.

7. United States Patent No. 6,798,344 (the ‘344 Patent”), entitled “Security Alarm System and Method with Realtime Streaming Video” was duly and lawfully issued by the USPTO on September 28, 2004, after full and fair examination. The ‘344 Patent relates generally to video security systems, and in particular to such systems that store, retrieve, and transmit images through the use

of computer equipment, digital storage, and an electronic communications network. Plaintiff 3rd Eye is the exclusive licensee of all rights in the '344 Patent and possesses all rights of enforcement and recovery under the '344 Patent.

8. United States Patent No. 7,323,980 ("the '980 Patent"), entitled "Security System and Method with Realtime Imagery" was duly and lawfully issued by the USPTO on January 29, 2008, after full and fair examination. The '980 Patent relates generally to video security systems, and in particular to such systems that store, retrieve, and transmit images through the use of computer equipment, digital storage, and an electronic communications network. Plaintiff 3rd Eye is the exclusive licensee of all rights in the '980 Patent and possesses all rights of enforcement and recovery under the '980 Patent.

9. Addison has committed, and may be continuing to commit, acts of infringement in violation of 35 U.S.C. § 271(a) by using security systems that infringe one or more claims of the '980 Patent. An example of such an infringing security system is described in the Agreement for Monitoring Equipment between Stealth Monitoring, Inc. and Addison, attached to this Complaint as Exhibit B and incorporated herein by reference.

10. Addison has indicated that it will stop using the infringing system pending other litigation. Plaintiff has no evidence that the Agreement attached as Exhibit B has been revised in writing signed by the parties thereto.

11. Addison's infringement of the '980 Patent has been and continues to be willful, subject to Paragraph 10.

12. Addison has caused and will continue to cause Plaintiff substantial damage and irreparable injury by virtue of its past and continuing infringement of the '980 Patent, subject to Paragraph 10. Plaintiff will suffer further damage and irreparable injury unless and until Addison is enjoined by this Court from continuing such infringement.

13. 3rd Eye is currently investigating whether Addison infringes the '085 and the '344 Patents, but needs more information before making its determination.

JURY DEMAND

14. Pursuant to Federal Rule of Civil Procedure 38, 3rd Eye demands a trial by jury.

PRAYER

WHEREFORE, Plaintiff 3rd Eye Surveillance, LLC, prays that Defendant the Town of Addison, Texas, be cited to appear and answer herein, and that 3rd Eye be granted the following relief:

- a. Judgment that Addison has infringed, induced others to infringe, and committed acts of contributory infringement with respect to one or more claims of the '980 Patent;
- b. A permanent injunction enjoining Addison, its officers, agents, servants, employees, and those persons in active concert or participation with Addison, from making, using, offering for sale, selling, or importing any device or product that is found to infringe the '980 Patent, and/or committing acts

that induce others to infringe or contribute to others infringement of the '980 Patent;

c. Damages adequate to compensate for Addison's patent infringement, but in no event less than a reasonable royalty for Addison's practicing of the inventions claimed in the '980 Patent, together with interest and costs under 35 U.S.C. § 284;

d. A finding that Addison has willfully infringed the '980 Patent and enhanced damages of up to three times the amount of 3rd Eye's actual damages;

e. Pre-judgment and post-judgment interest on the damages assessed;

f. Declaring this case exceptional pursuant to 35 U.S.C. § 285, and awarding 3rd Eye its reasonable attorney's fees and expenses; and

g. Such other and further relief, both at law and in equity, to which 3rd Eye may be entitled.

Respectfully submitted,

/s/ Stephen A. Kennedy

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