

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF FLORIDA**

HAWK TECHNOLOGY SYSTEMS, LLC,)	
)	
Plaintiff,)	Case No:
)	
v.)	
)	
JM AUTO, INC.,)	
)	
Defendant.)	
)	

COMPLAINT

Plaintiff, Hawk Technology Systems, LLC (“Hawk”), hereby sues JM Auto, Inc. (“JM Auto”) and alleges:

NATURE OF THE ACTION

1. This is a civil action for patent infringement of United States Patent No. RE43,462 (‘462 Patent). The ‘462 Patent is a reissue of United States Patent No. 5,625,410 (the ‘410 Patent). The independent claims in the reissued ‘462 Patent are substantially identical to the corresponding claims in the original ‘410 Patent.

2. The abstract for the ‘462 Patent states:

A PC-based system for monitoring and storing representative images from video cameras which may be utilized for security or other monitoring applications. Camera inputs from digital or analog sources are individually and independently digitized and displayed at a first set of image sizes, sampling rates, and frame rates, and may be stored in digital form on various recording media at a second set of image sizes, sampling rates, and frame rates, and these two sets of sizes and rates may or may not be identical. Provisions are included for adding detection or alarm systems which will automatically alter image size, sampling rate and/or frame rate of an individual input source, or activate other physical responses. In addition to security system monitoring, further applications of the invention are disclosed for process monitoring in manufacturing environments and also for applications in videoconferencing.

PARTIES

3. Hawk is a limited liability company organized and existing under the laws of the State of Florida and maintains its principal place of business at 2 South Biscayne Blvd., Suite 3800, Miami, Florida 33131.

4. JM Auto is a corporation organized and existing under the laws of the state of Florida with its principal business address located at 5350 W. Sample Road, Margate, Florida 33073.

5. JM Auto's Florida registered agent is CT Corporation System located at 1200 S. Pine Island Road, Plantation, Florida 33324.

JURISDICTION AND VENUE

6. Pursuant to 28 U.S.C. §§ 1331 and 1338(a), this Court has original jurisdiction over the subject matter of this action because this is an action arising under the Patent Laws of the United States, 35 U.S.C. § 1 *et. seq.*

7. This court has personal jurisdiction over JM Auto because JM Auto (a) operates, conducts, engages in and/or or carries on a business in the State of Florida; (b) committed tortious acts within the State of Florida; and (c) is engaging in substantial and not isolated activity within the State of Florida.

8. Pursuant to 28 U.S.C. §§ 1391 and 1400(b), venue is proper in this district.

GENERAL ALLEGATIONS

9. Hawk Technology Systems was formed in 2012 to commercialize the inventions of its founder, Barry Schwab.

10. Mr. Ken Washino and Mr. Schwab invented what is claimed by the '462 Patent.

11. Mr. Washino and Mr. Schwab have collaborated on a number of other pioneering inventions resulting in patents in the areas of video archiving, video downloading and digital cinema.

12. Mr. Schwab also is a named inventor on more than thirty patents, ranging from consumer products to secure network computing.

13. Hawk is the exclusive owner of all rights, title, and interest in the '462 Patent, including the right to exclude others and to enforce, sue and recover damages for past and future infringement thereof.

14. Hawk became the owner of all rights, title, and interest in the '462 Patent by virtue of an assignment from Multi-Format, Inc., a New Jersey corporation ("MFI").

15. MFI obtained its rights, title, and interest in the '462 Patent by virtue of an assignment from Messrs. Washino and Schwab.

Claim 1 Of The '462 Patent

16. Claim 1 of the '462 patent states:

A video storage and display system, comprising:

one or more video cameras, each outputting a signal representative of a video image;

means to receive the signals from each camera and digitally compress the images;

two forms of high-capacity storage media, one being randomly searchable while the other continues to store the digitally compressed image; and

a computer configured to receive the digitally compressed images, the computer being interfaced to the following devices:

a display screen,

means to receive externally derived operator commands, and

the high-capacity storage media, and

wherein the computer is programmed to perform the following functions:

display the digitally compressed images from the cameras in different windows on the display screen, each window being associated with an update rate and dimensions in pixels,

vary the spatial parameters and temporal parameters at which a particular image is updated in its window in accordance with one of the externally derived commands,

store the digitally compressed images in the high-capacity storage media, and

vary the spatial parameters and temporal parameters at which a particular image is stored in accordance with one of the externally derived commands.

('462 Patent, Col. 10, line 57 – Col. 11, line 20).

Claim 12 Of The '462 Patent

17. Claim 12 of the '462 patent states:

The method of simultaneously displaying and storing multiple video images, comprising the steps of:

receiving video images at a personal computer based system from one or more sources;

digitizing any of the images not already in digital form using an analog-to-digital converter;

displaying at least certain of the digitized images in separate windows on a personal computer based display device, using a first set of temporal and spatial parameters associated with each image in each window;

converting one or more of the video source images into a data storage format using a second set of temporal and spatial parameters associated with each image; and

simultaneously storing the converted images in a storage device.

('462 Patent, Col. 11, line 62 – Col. 12, line 10).

Claim 15 Of The '462 Patent

18. Claim 15 of the '462 patent states:

A video storage and display system, comprising:

one or more video cameras, each outputting a signal representative of a video image;

means to receive the signals from each camera and digitally compress the images; and

a computer configured to receive the digitally compressed images, the computer being interfaced to the following devices:

a display screen,

means to receive externally derived operator commands including means for sensing a deviation from the normal-state image scene associated with at least one of the video cameras, the existence of the deviation being used as the basis for generating an externally derived command, and

a high-capacity storage medium, and

programmed to perform the following functions:

display the digitally compressed images from the cameras in different windows on the display screen, each window being associated with an update rate and dimensions in pixels,

vary spatial parameters and temporal parameters at which a particular image is updated in its window in accordance with one of the externally derived commands,

store the digitally compressed images in the high-capacity storage medium, and

vary the spatial parameters and temporal parameters at which a particular image is stored in accordance with one of the externally derived commands.

('462 Patent, Col. 12, line 15 – 45).

19. JM Auto owns the auto dealership doing business as JM Lexus located at 5350 W. Sample Road, Margate, Florida 33073 (“Dealership”).

20. By reviewing publically available information, including the case study attached hereto as Exhibit A, Hawk learned that JM Auto used a video storage and display system and methods that infringed the ‘462 Patent at least at this Dealership location.

21. Hawk has prepared a claim chart which explains how each limitation reads onto the system claimed by Claims 1 and 15 and the method claimed by Claim 12 of the ‘462 Patent. At least each of these three claims was infringed.

22. All conditions precedent to bringing this action have occurred or been waived.

23. Hawk has retained counsel to represent it in this matter and is obligated to pay its counsel a reasonable fee for its services.

24. Pursuant to 35 U.S.C. § 285, Hawk is entitled to recover its attorneys' fees.

COUNT I: DIRECT INFRINGEMENT OF THE '462 PATENT

25. The allegations contained in paragraphs 1-24 above are hereby re-alleged as if fully set forth herein.

26. Without Hawk's authorization, JM Auto used a video storage and display system and/or methods that infringed one or more of the claims in the '462 Patent.

27. Hawk has been damaged by JM Auto's infringement.

WHEREFORE, Hawk respectfully requests the Court:

A. Enter a judgment finding that JM Auto, Inc. has directly infringed the '462 Patent.

B. Pursuant to 35 U.S.C. § 284, order JM Auto, Inc. to pay damages adequate to compensate for the infringement, but in no event less than a reasonable royalty for the use made of the invention, together with interest and costs;

C. Find this to be an exceptional case of patent infringement under 35 U.S.C. § 285 and award reasonable attorneys' fees, costs, and expenses incurred by Plaintiffs in prosecuting this action; and

D. Award such other and further relief as the Court deems just and proper.

JURY TRIAL

Plaintiff demands a trial by jury on all issues so triable.

Dated: November 19, 2014

Respectfully submitted,

/s/ Angela M. Lipscomb

Angela M. Lipscomb, Esq.

Email: alipscomb@lebfirm.com

Florida Bar: 31111

Lipscomb, Eisenberg & Baker, PL

2 South Biscayne Boulevard

Penthouse 3800

Miami, FL 33131

Telephone: (783) 431-2228

Facsimile: (786) 431-2229

Attorneys for Plaintiff

Exhibit A



Automotive Market

exacq

From Tyco Security Products



JM Lexus

5350 W Sample Road
Margate, FL 33073

JM Lexus, the only retail automobile dealership owned and operated by JM Family Enterprises, is the world's largest volume Lexus dealership since opening in 1992. Their main showroom, service center, parts, and Lexus certified body shop are all located in Margate, Florida while the JM Lexus Certified Pre-owned Superstore is located across Sample Road in Coconut Creek, Florida.

JM Lexus is always searching for innovative ways to serve their growing clientele. Vice President and General Manager Jim Dunn along with Fixed Operations Director Brad Schafer needed to replace an aged analog video system with a cutting edge IP video system. They wanted more than just another camera system. They required the new system to perform three vital functions: management, security, and real value-added benefits for the JM Lexus customers.

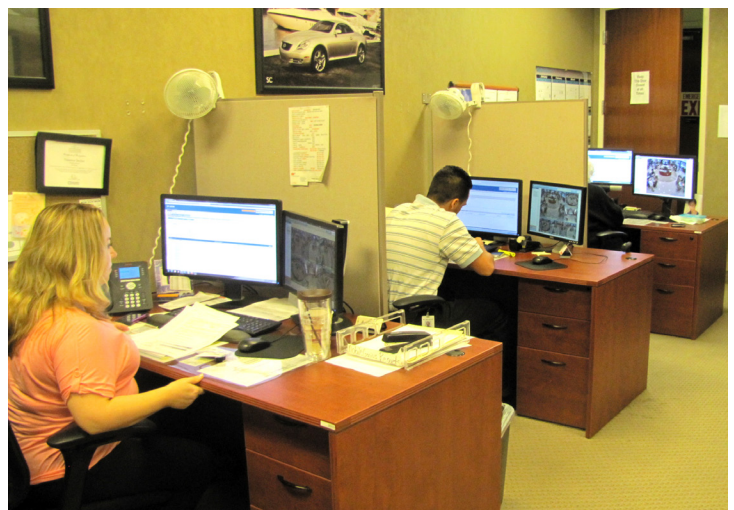
Dunn and Schafer leveraged the services of corporate security manager Paul Dufresne from their parent corporation JM Family Enterprises. Founded in 1968, JM Family is a diversified automotive company specializing in vehicle distribution, processing, financial services, finance and insurance products, and dealer technology products. Most recently, JM Family Enterprises was ranked No. 27 on Forbes' list of "America's Largest Private Companies" and No. 37 on Fortune magazine's "100 Best Companies to Work For" list.

To meet and exceed the expectations of Dunn and Schafer, Dufresne brought in Frank Fiore of Video Design Group as the project manager. Fiore collaborated with Dufresne and documented every aspect and detail of the project.

Beyond the two JM Lexus sites, the project also had to meet two additional JM Family requirements: first, a



JM Lexus needed a comprehensive IP video solution for their multi-location business



Reservation specialists use the exacqVision client to quickly see which service agent is available.



Security officers monitor video from multiple JM Lexus locations in the security operations center.

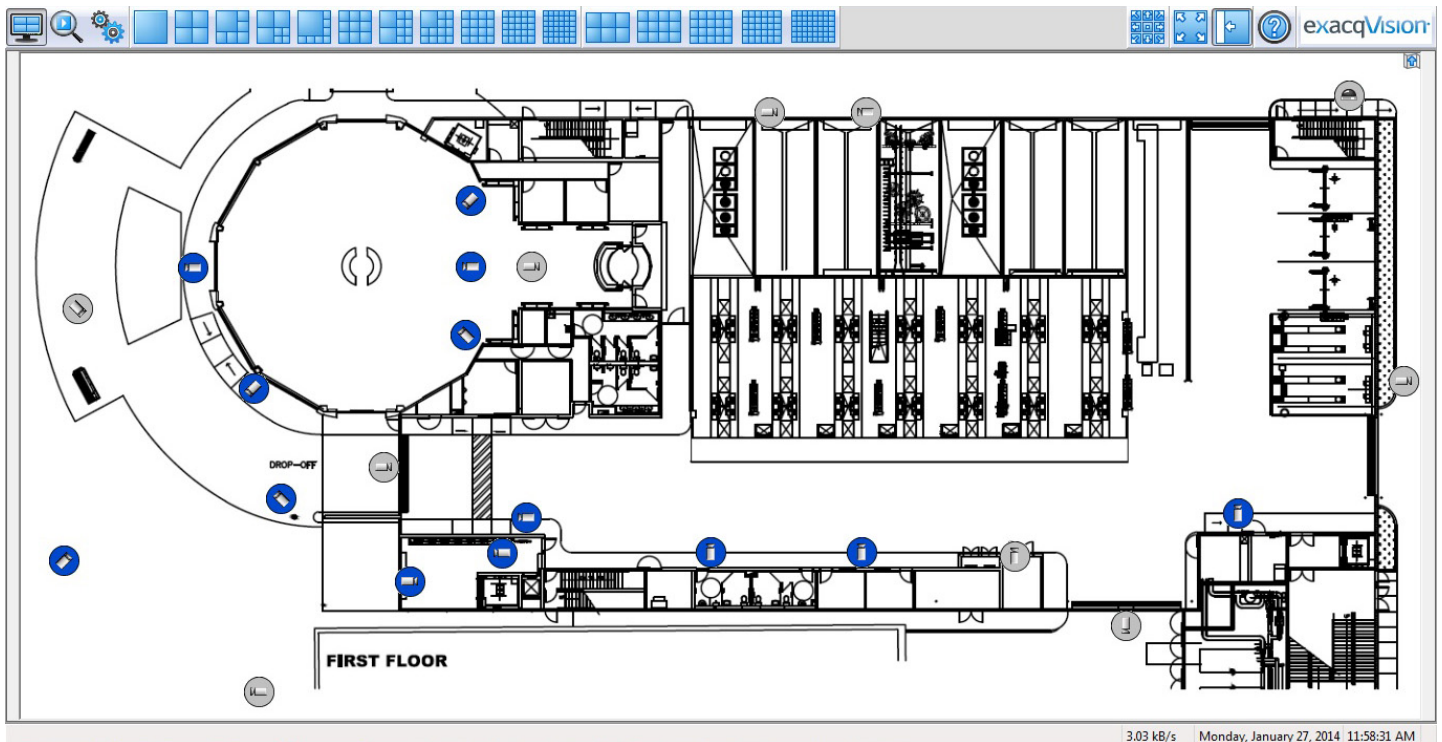
long-term infrastructure that could be easily managed and maintained across its enterprise and second, implement an “evergreen” process. The evergreen process, as defined by JM Family, is to have all equipment covered by a four-year warranty and then replace those units at the end of the warranty period.

Fiore started the project in two simultaneous phases: phase one concentrated on the system’s design aspects including camera views and locations, infrastructure pathways, electrical requirements, bandwidths, and installation limitations. Phase two concentrated on the selection of equipment including cameras, video servers, switchgear, fiber, and structured cabling. This approach proved very beneficial. The new design and layout for the system was neither restricted to only re-using existing conduit pathways, nor by a limited product offering. The results achieved the coverage JM Lexus needed as well as wanted.

After months of discussions, site walks, and testing equipment, a team was assembled. For infrastructure: C. Davis Electric handled conduit pathways, field equipment housings, camera poles, and all high voltage circuits. WaveGuide Communications was in charge of structured wiring, and all fiber. Video equipment manufacturers chosen were: AlliedTelesis for switch gear, Axis Communications for IP video cameras and, exacqVision for network servers and video management system (VMS) software. Lastly, the integrator responsible for tying all of these together: Intelligent Access Systems (IAS), a Securadyne Systems company.

Before any site work began, the entire team assembled, along with their sales engineers, for a series of open discussions. Together the group determined such items as camera placement, directional boring, new circuits, additional conduits, infrastructure recovery and layout of new infrastructure, bandwidth requirements, and video management expectations. From these series of open discussions, several issues were resolved before any site work commenced, saving time and frustration during the actual installation.

The installation started with the JM Lexus Certified Pre-owned Superstore in Coconut Creek, Florida and built from there. The new video design was optimized by minimizing PTZ cameras and maximizing fixed camera locations. With infrastructure in place, the cameras began to be installed. Thirty-two (32) Axis IP megapixel cameras were deployed; each specific to the need of its location. Axis cameras were chosen for their image quality, high reliability, performance



The exacqVision mapping feature allows security officers to easily navigate and find cameras.

in low light locations, as well as their seamless ability to integrate with the VMS. Axis cameras with unique "Light-Finder" technology provide high quality images in the low-light conditions across the site at night. The quality of the images from all the cameras exceeded expectations and aid in providing clear video evidence. The new Axis IP cameras capture image detail while overcoming the challenges of brightly lit reflective surfaces inside the showroom as well as outside in the south Florida sun. They perform equally as well at night in dark areas. In total, the new JM Lexus design included 155 Axis cameras installed over both the pre-owned and the new car sites.

Selected for video management and storage at JM Lexus were the exacqVision Z-Series servers with pre-installed exacqVision Enterprise VMS software. Each of the four Z-Series servers have an i7 processor, Linux operating system and 32 TB of RAID storage. This enterprise-class storage allows JM Lexus to store a minimum of 30 days of video.

With the exacqVision Enterprise VMS, JM Lexus could now administer different access levels to multiple users across the system as appropriate to their respective work responsibilities. The exacqVision's intuitive interface has proven to be one of the most beneficial features of the VMS system. Security officers and JM Lexus associates quickly learned the software and feel very comfortable with the functionality. "We thought training our associates to use the software would be the biggest time constraint, but it was really the easiest part of the installation," said Dufresne. "It's so intuitive; our associates were proficient on the exacqVision client after one day."

In addition to the continuously monitored security officer's post, other JM Lexus clients in use include sales managers, service, parts, and body shop managers, and even their reservation specialists. At any given time, more than 20 clients are using the exacqVision client accessing live video with no latency. The exacqVision clients do not negatively impact the dealership's business bandwidth usage, which impressed the IT department.

Helping to manage all of these VMS clients is the group feature on the exacqVision. Each log in on the system is assigned a viewing group based on their particular viewing needs. This keeps the JM Lexus associates viewing only the cameras they are allowed to view. For the security officers, the groups are populated across six (6) 32-inch monitors. Each security shift can personalize their view by dropping and dragging cameras pertinent to their shift.

"One of the best features of the exacqVision VMS is the mapping," states Fiore. This feature allows site and floor plans to be imported into the exacqVision VMS and viewed by the client. Once imported, the active camera icons can be placed on each map indicating the location and direction each camera is pointing. The icons are active in three different ways: motion detection, video loss, and camera call-up. The icons turn the color blue when motion is detected. They turn red when there is video loss. Finally, double-clicking on the icon brings up live video.

Adding maps for each site and building floor through exacqVision has allowed for a faster, more intuitive navigation experience. A quick glance at the map is all it takes to find a specific camera. No longer is it required to memorize camera names and numbers in order to view a camera.

Another key feature for choosing exacqVision is camera licensing. exacqVision makes it easy to replace and update cameras across the enterprise system. "There was no need to call and have someone change the MAC address of a camera license," said Dufresne, "We just plug in the new camera and start viewing video."

As an integral part of the video design, JM Lexus now has the ability to accurately document every vehicle that is brought in for service. Strategically placed cameras capture various angles of every vehicle as it comes in and goes out of the service center. If there is a discrepancy, the service managers, together with the owner of the vehicle, instantly pull up the exacqVision system to review video of the vehicle from arrival to final parking to determine if the damage in question happened while the vehicle was in the care of JM Lexus.

Prior to the new system, JM Lexus would absorb the repair cost of these discrepancies. These unexpected repairs, an average of \$1,000 per incident, were a continued costly proposition. Now with the video documentation provided by exacqVision and Axis cameras to immediately resolve their client's concerns, JM Lexus estimated a cost savings of \$10,000 within the first month of using the new system and a cumulative savings total of \$85,000 as of September 2014.

"The biggest benefit beyond the cost savings is the level of trust the security system has brought to our relationship with our customers," said Schafer, "At the end of the day, we can show our customers video evidence from start to finish of their car repair, which has given them 100 percent assurance and faith in JM Lexus."

Equipment-At-a-Glance

Software:

- exacqVision Enterprise VMS Software

Hardware:

- 155 - Axis IP cameras
- 4 exacqVision Z-Series servers

Purpose/Benefits:

- Minimize additional service expenses
- Fast video search capabilities
- Improve customer satisfaction
- Better manage business operations and traffic flow
- Property and asset security

Beyond its ease of use and investigation tool, the exacqVision VMS provides real value added benefits to JM Lexus and their clientele. JM Lexus has even begun using it as a training tool by reviewing their associates' performance on how they greet and evaluate clients and their vehicles arriving for service. The service managers even use it to monitor traffic flow through the service center, reallocating personnel as required.

The integrator Intelligent Access Systems, a Securadyne Systems company, was responsible for delivering the final product. Their dedication and willingness to accommodate a JM Lexus requirement for "no business disruption during installation" was instrumental for a successful conclusion. Together with Fiore, WaveGuide, C. Davis Electric, AlliedTelesis, exacqVision, and Axis, a new era of video systems for automobile dealerships was brought on-line; or more accurately, brought to life.

Meet the Integrator



www.iasnc.com
800.736.2345

Intelligent Access Systems (IAS), a Securadyne Systems company, is a premier security systems integrator headquartered in Raleigh, North Carolina. Since 2004, IAS has provided businesses throughout the Southeast with enterprise-class security solutions. In January 2014, IAS became part of Securadyne Systems out of Carrollton, Texas.



"The exacqVision and Axis security system do so much more than we ever envisioned. It's paid off in many new, unexpected ways. The biggest benefit beyond the cost savings is the level of trust the security system has brought to our relationship with our customers."

Brad Schafer
Fixed Operations Manager
JM Family Enterprises