UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF LOUISIANA

HAWK TECHNOLOGY SYSTEMS, LLC,   )
)
                    Plaintiff,   )   Case No: _____
)
               v.   )
)
BENNY'S CARWASH, L.L.C.,   )
)
                    Defendant.   )

COMPLAINT

Plaintiff, Hawk Technology Systems, LLC ("Hawk"), hereby sues Benny's Carwash, L.L.C. ("BCL") and alleges:

NATURE OF THE ACTION

1.   BCL infringed Claim 12 ("Claim 12") of United States Patent No. RE43,462 ('462 Patent), or one or more of Claim 12's dependent claims. 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.   Benny's Carwash, L.L.C. is a Louisiana limited liability company with its principal office address located at 9611 B Airline Highway, Baton Rouge, Louisiana 70815.

5.   BCL's registered agent is Lloyd B. Alford and its registered office is located at 9611 B Airline Highway, Baton Rouge, Louisiana 70815.

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 BCL because BCL (a) operates, conducts, engages in and/or carries on a business in the state of Louisiana; (b) committed tortious acts within the state of Louisiana; and (c) is engaging in substantial and not isolated activity within the state of Louisiana.

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 12 Of The '462 Patent

16.   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).

17.   By reviewing publically available information, including the article attached hereto as Exhibit A, Hawk learned that BCL infringed Claim 12 of the '462 Patent.

18.   Hawk has prepared a claim chart which explains how each limitation reads onto the method claimed by Claim 12 of the '462 Patent, which claim was infringed by BCL.

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

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

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

22.   For the avoidance of doubt, Hawk only seeks damages which are not barred by the statute of limitations for infringement that occurred prior to the patent expiring on April 29, 2014.

COUNT I: DIRECT INFRINGEMENT OF THE '462 PATENT

23.   The allegations contained in paragraphs 1-22 above are hereby re-alleged as if fully set forth herein.

24.   Without Hawk's authorization, BCL infringed Claim 12 of the '462 Patent or one or more of Claim 12's dependent claims.

25.   Hawk has been damaged by BCL's infringement.

WHEREFORE, Hawk respectfully requests the Court:

A.   Enter a judgment finding that Benny's Carwash, L.L.C. has directly infringed Claim 12 of the '462 Patent or one of Claim 12's dependent claims.

B.   Pursuant to 35 U.S.C. § 284, order Benny's Carwash, L.L.C. to pay damages adequate to compensate for the infringement, but in no event less than a reasonable royalty, 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 Hawk 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.

Respectfully submitted:

s/Philip Bohrer
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Counsel for Plaintiff, Hawk Technology, LLC

Car Wash Emporiums

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"When we looked to upgrade our surveillance system, we had one criterion—seek out the best system that was out there. If we are going to do anything, we are going to do it right."

Justin Alford
Owner/Operator – Benny's Car Wash

It started with the simple act of dropping keys in a bucket every time that a car was washed. That is how Lloyd Alford, at the time a locksmith, tracked the number of cars washed daily at a business across the street from where he worked. Whether he ran out of keys, or ran out of patience, the result is that he switched careers and opened Pensacola, Florida's first automated carwash in 1951. In 1953, Lloyd relocated to Louisiana and, in the tradition of Pensacola, opened Baton Rouge's first automated carwash, and as they say, the rest is history.

Benny's Car Wash, and the Alford family for that matter, has always been seen as progressive. Today they employ state of the art computer and electronic sensor technology and are on the cutting edge of advanced cleaning agent chemistry and fluid engineering in all six of their sites.

This forward-looking, technology-centric mindset is seen in the way they run their business as well. From inventory control, employee training, loss prevention, risk mitigation, or simply checking in on their operation, the Alford's leverage technology and the benefits it can provide.

"We are always looking for tools that can help us manage our business," says Justin Alford, owner/operator of Benny's Car Wash. "When we looked to upgrade our surveillance system, we had one criterion—seek out the best system that was out there. If we are going to do anything, we are going to do it right."

Shane Stelly, Service Manager of Total Retail Solutions (TRS) and integrator to Benny's Car Wash stated that, "Justin and his team did a lot of research before they decided they were ready

to upgrade their old system. They saw 3xLOGIC at a trade show and commented to me that they offered two distinct advantages over any other video provider they had seen: 1) they were able to compress high definition images better than anyone; and 2) they manage data better than anyone else."

While conducting his search for a video surveillance system, Justin had pre-conceived notions of his own:

1. You get what you pay for.
2. Image quality and coverage cannot be compromised.
3. Look for a company that embraces technology and leverages it.

Scoping out the right video surveillance system takes a combination of high standards and knowing what a business needs. "The thing about Justin is he knows what he wants out of a system," said Shane. "He is technically-savvy and business-smart – that's a unique combination."

You Get What You Pay For

For many operators, price becomes a key factor in their decision as to which system they buy. What they fail to consider is what is at risk if the system that they purchase doesn't do what it was intended to do. If a video surveillance system fails to record, or doesn't deliver the image quality necessary to help identify vehicles or people, what good is it?

EXHIBIT

A

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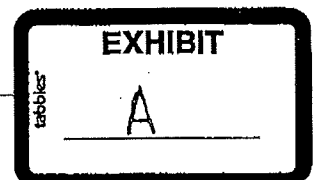
Justin went on to comment, "I have friends tell me they run down to Sam's Club and pick up a camera system for their business. They install it but when they go to use it either the quality is not there and it may or may not work. I wanted to find the best high-tech system out there that's going to give us the quality that we want. In today's business climate where you need to protect yourself, your business, and your staff, can you really afford not to buy quality equipment?"
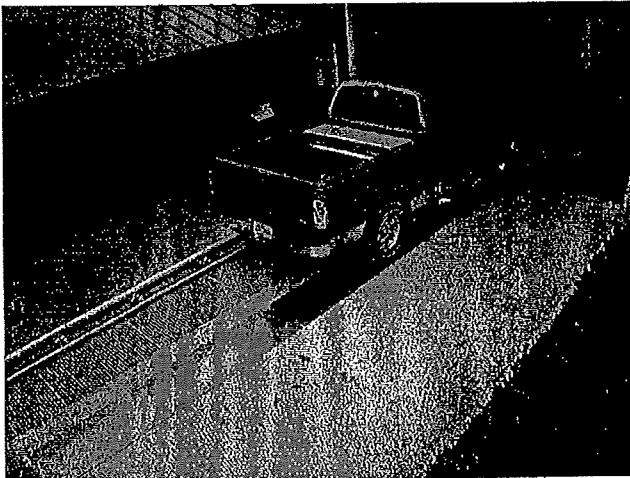
IP cameras provide excellent coverage from a variety of vantage points.

Car wash operators are discovering that the existence of video footage can shift the burden of proof in an investigation or a claim, but it is the quality of the image that is captured that remains critical. As such, the role of video surveillance continues to grow in car wash operations.

"One thing about the 3xLOGIC system we implemented is we're able to use a lot less physical cameras than we had before," Justin said. "Before, we had in excess of 90 analog cameras at one location. With the 3xLOGIC system and the Arecont Vision 180- and 360-degree cameras, we can cover a much broader area. The placement has changed since we're able to go with the 180s and the 360s. The 180s are great for covering a lot of territory. I try to put them on all four corners of the lot. Then we can pretty much see the overall flow of the lot, if somebody hit a pole or somebody ran over something, you'd be able to see that."

Image Quality and Coverage Cannot be Compromised

General surveillance is the term used if you simply want to capture *when* something happened and *where* it happened. High definition or high detail surveillance allows you to capture additional data such as license plates or facial details. Now you can not only tell *when* and *where* something happened as well as being able to determine *who* and *what* was involved.

In order to capture the detail necessary to provide adequate forensic data you need to have your camera positioned in close proximity to your subject, or you need to be capturing high resolution images, typically from a megapixel IP camera. Raw images from analog cameras and megapixel cameras can look very similar—but looks can be deceiving. The differences become apparent when you zoom-in in an effort to identify specific elements within your footage.

"We knew that we were ready to go to an IP megapixel camera," confesses Justin. "We knew that it would give us more coverage and better images—quality we could see."

Video is no longer simply allocated to the back office and theft investigations. The technology can be used for a variety of tasks typically associated with operational efficiencies, including:

- Improve operations and customer service
- Enable more timely resolution of customer disputes
- Optimize staffing decisions
- Identify and address areas of risk
- Reduce liability exposure
- Detect sooner, react faster
- Integrate video data with Point of Sale (POS) and exception-based reporting systems.

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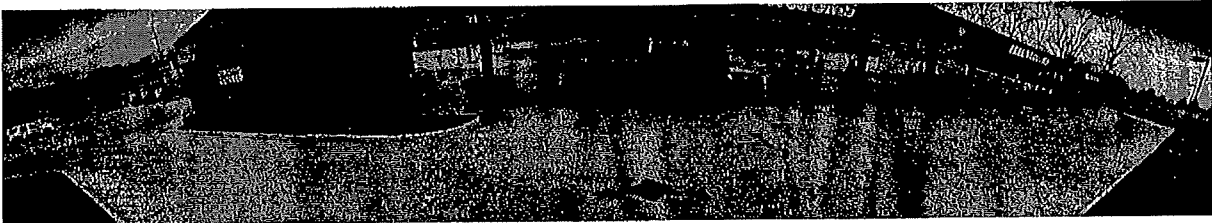
With 180-degree panoramic cameras mounted around the perimeter of the property, not much goes unnoticed.

"We use video for incident claims if somebody says, 'You all broke my tail light'," Justin notes. "We can go back now and we can look to see if the tail light was there when it came in, what the tail light looked like when they left as well. A picture's worth a thousand words. We've heard that saying before and we truly believe it. Now we can show a customer what actually happened, it makes everybody feel better."

Benny's Car wash is diligent in using their system. "They use their cameras religiously," said Shane. "They wash 200 cars an hour on a good day. They put the emphasis on identification versus verification – they want to capture detailed information on their customers' cars from multiple angles to help investigate and process claims, if they arise. Their high-definition cameras are able to capture any little dent that those cars come in with. Their system has paid for itself over and over again just in claim resolution and avoidance."

> "While other vendors said they could write code to support us, 3xLOGIC was already delivering POS integration. What impressed me about their business was their 'can do' attitude."
>
> *Shane Stelly*
> *Total Retail Solutions*

Look for a Company That Embraces Technology & Leverages It

Today, advances in network technology as well as improvements in video surveillance hardware and software enable your video surveillance system to serve as your eyes and ears into your operation. Gone are the days where you needed to be on-site to have a "finger on the pulse" of your operation. With today's intelligent video management solutions, administrators are able to manage and access one to a thousand sites from a single location, regardless of where you are physically located. Leveraging today's technology, now you can be in two places at the same time.

3xLOGIC assists in linking the user with the technology that they're using and designing programs that go above and beyond. "When we found 3xLOGIC we were looking for a partner," said Shane. "Our business is built primarily with supermarkets integrating video with their POS systems. While other vendors said they could write code to support us, 3xLOGIC was already delivering POS integration. What impressed me about their business from the start was their 'can do' attitude."

Versatility and availability also play an important role in connecting to a customer. "It is so cool to just be able to sit down at night before I go to bed, pull video up from any of my stores and say, Hey, let's see what's going on at the car washes? Are they busy or not?" Justin touts. "And the beauty is that I'm able to do all of this on my iPad."

Managers are no longer confined to their desk if they want to view video feeds from any of their stores. Today, surveillance solutions offer the ability to access and manage video from their desktop, laptop, tablet or smart phone.

"I use my iPad all the time," Justin says. "I used it at the airport the other day; I used it this weekend with the Boy Scouts camping. While we were setting up the tent I pulled out my iPad and used it to see how the car washes are doing? Are they running well? Do we have vehicles going through? Is the weather good? How are my employees? "I really love 3xLOGIC's iPad app. That was one of the main things that sold us on the company."

Systems built on 3xLOGIC's VIGIL platform give users the ability to connect all of their disparate systems such as Point-of-Sale, doors, coolers and refrigerator systems, to give users a complete picture of their operation in real-time and in

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review. By integrating audio, transactional POS data, and high definition video into a unified network you can literally see and hear exactly what's going on within your stores at any time.

"I think in today's world people want information immediately and video is just another tool for we can use to give us information," declares Justin. "In our convenience stores we use it to help us track inventory. We have integrated our video with our Gilbarco POS system. Now everything that we ring up gets saved. We can review any transaction and see the video associated with that purchase. As I said before, a picture is worth a thousand words."

3xLOGIC's VIGIL video management system captures video images and transactional POS data and stores both in an SQL database. The database is cross-indexed, so using the company's exclusive SmartSearch utility, users can search transactional data, date and time stamp information, and audit trails for easy retrieval and review.

"Our system lets us go back and look at all the Marlboro cigarettes that were sold, or all the Twinkies or whatever you want to track," said Justin. "You simply click on your search criteria, hit Search and then it shows you the video of the transactions. It's that easy!"

VIGIL's exception-based reporting module is pre-programmed to flag critical transactions, such as "voids", "no sales", "refunds" and "item corrects", providing you both visual data as well as transactional data surrounding any potential mishandling of your money. By establishing a set of user-defined exception-based rules, managers can receive real-time alerts anytime that events or actions fall outside of these parameters. Now instead of reacting to situations, managers can leverage transactional data and surveillance video to identify trends and capture details that can lead to improved loss prevention, as well as improved operational efficiencies and overall store performance.

"We also use video for training purposes. Now if we see an employee handling a situation the proper way, it gives us an opportunity to reinforce good behavior by saying, 'We saw how you handled that customer and that was great!'; Or use the situation as a learning experience if it didn't go so well we can

say, 'Here is a situation where maybe you can do it a different way in the future'."

Video Can Be an Indispensable Tool—If You Use It

As with any tool or technology, its effectiveness is tied to its usage. Robust video management systems can result in a variety of tangible and measurable benefits, including:

- Identification of inefficient practices and personnel
- Reduction in shrinkage and losses
- Enhanced customer experience
- Containing your litigation and liability exposure
- Decreasing your in-store labor costs
- Reducing your regional management and travel costs.

"There's a little bit of a learning curve if you really want to get the most use out of any system," emphasizes Justin. "You've got to take some time and learn all the features. By doing so, I think these systems will be of even more value to us as time goes on."

According to a recent *Professional Carwashing & Detailing Benchmark Survey*, over 75 percent of carwash operators now report they've installed video surveillance systems to protect their businesses. This is a trend that is expected to continue to grow as operator's desire for gaining more control and understanding of their operations expands.

"I could not see ever doing any kind of location without video," says Justin. "As far as the quality and the way the system functions, I still think 3xLOGIC is the best system available today. I wouldn't make another decision. I'm very happy with it and I would recommend it to anybody, I would!"

BENNY'S CAR WASH

Number of Locations: 6

Typical Camera Deployment per Car Wash: 32 IP cameras connected to a 32-channel VIGIL Network Digital Video Recorder (NDVR) with 20TB of storage.