

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

SPECIALIZED MONITORING
SOLUTIONS LLC,

Plaintiff,

v.

ADT LLC d/b/a ADT SECURITY SERVICES,

Defendant.

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CIVIL ACTION NO. 2:17-cv-00768

JURY TRIAL DEMANDED

FIRST AMENDED COMPLAINT

Plaintiff Specialized Monitoring Solutions, LLC (“Plaintiff” or “SMS”), by and through its attorneys, files this First Amended Complaint against ADT LLC d/b/a ADT Security Services (“Defendant” or “ADT”), and demanding trial by jury, hereby alleges as follows:

I. NATURE OF THE ACTION

1. This is an action for patent infringement arising under the patent laws of the United States, 35 U.S.C. §§ 271, *et seq.*, to enjoin and obtain damages resulting from Defendant’s unauthorized use, sale, and offer to sell in the United States of products, methods, processes, services and/or systems that infringe SMS’s United States patent, as described herein.

2. Defendant manufactures, provides, uses, sells, offers for sale, imports, and/or distributes infringing products and services; and encourages others to use its products and services in an infringing manner, including their customers, as set forth herein.

3. SMS seeks past and future damages and prejudgment and post-judgment interest for Defendant’s past infringement of U.S. Patent No. 6,657,553, as defined below.

II. PARTIES

4. Plaintiff SMS is a limited liability company organized and existing under the laws of the State of Texas. SMS's registered agent for service of process in Texas is CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201-3136.

5. On information and belief, Defendant ADT is a corporation organized under the laws of Delaware, having an established place of business at 4706 DC Drive, Tyler, Texas 75701. Defendant's registered agent for service of process in Texas is CT Corporation System, 1999 Bryan Street, Suite 900, Dallas, Texas 75201-3136.

III. JURISDICTION AND VENUE

6. This is an action for patent infringement which arises under the patent laws of the United States, in particular, 35 U.S.C. §§ 271, 281, 283, 284 and 285.

7. This Court has exclusive jurisdiction over the subject matter of this action under 28 U.S.C. §§ 1331 and 1338(a).

8. On information and belief, venue is proper in this district pursuant to 28 U.S.C. §§ 1391(b), 1391(c), and 1400(b) because Defendant has a regular and established place of business in this Judicial District, has transacted business in this Judicial District, and has committed and/or induced acts of patent infringement in this Judicial District.

9. On information and belief, Defendant is subject to this Court's specific and general personal jurisdiction pursuant to due process and/or the Texas Long Arm Statute, due at least to its substantial business in this forum, including: (i) at least a portion of the infringements alleged herein; and (ii) regularly doing or soliciting business, engaging in other persistent courses of conduct, and/or deriving substantial revenue from goods and services provided to individuals in Texas and in this Judicial District.

IV. FACTUAL ALLEGATIONS

10. SMS is the owner of all right, title and interest in and to U.S. Patent No. 6,657,553 (the “’553 Patent”), entitled “Method of Monitoring a Protected Space.”

11. The ’553 Patent issued on December 2, 2003. At a high level, the claimed methods and apparatuses of the ’553 Patent detect signal events occurring at a protected space, code the signal events into a packetized message, and transfer these coded packet messages to a database. The coded packet messages are stored in reserved areas and subareas of the database in accordance with the type of signal event and the respective protected space. Additionally, the coded message packets are accessible via the internet. A true and correct copy of the ’553 Patent is attached as **Exhibit A**.

12. The claims of the ’553 Patent are directed to a system and method that were not well-understood, routine, or conventional at the time of the patent. The claims describe inventive features and combinations that improved upon prior art systems and methods for monitoring a protected space. The ’553 Patent’s specification and prosecution history support these facts. For example, claims 1 and 35 are directed to a specific, novel architecture and application of a database to store and distribute the information collected from protected spaces. As claimed, the database stores “the coded message packet in a secure storage area and subarea of the plurality of secure storage areas of the database that corresponds to the protected space and type of signal event of the protected space under a password assigned to a manager of the protected space.” ’553 Patent at 5:54-59.

13. The claimed database was not present in the prior art cited by the examiner during prosecution of the ’553 Patent. *See* ’553 Patent, Response After Non-Final Action at 5 (USPTO Mar. 31, 2003), attached as **Exhibit B**. Specifically, there was no teaching or suggestion that “any database used to store the information under [the cited prior art] would be divided into a plurality

of secure storage areas or subareas that corresponds to the protected space and type of signal event of the protected space under a password assigned to a manager of the protected space.” Ex. B at 6. For the reasons set forth in Exhibit B, the claimed system and method were neither present nor conventional at the time of filing.


14. The claimed database, in combination with the other elements of Claims 1 and 35, improved upon the prior art by providing a more reliable and efficient means of monitoring a protected space. When a sensor was triggered in prior art systems and methods a responsible party would have to be identified and alerted by “sequentially dialing telephone numbers of designated parties from a call list. Often the first to answer the telephone call [was] charged with investigating the cause for the alarm.” ’553 Patent at 1:15-27. This notification and alarm method could not indicate the severity of an alarm event and thus would lead to unnecessary resources being expended to address minor problems at non-ideal times. However, the claimed invention enables a manager assigned to the protected space to “retriev[e] and analyz[e] the data from a remote location, [meaning] the manager may be able to determine whether the detected condition is sufficient to require immediate attention or of a minor nature that may be corrected in the normal course of events.” *Id.* at 5:17-21. The use of the claimed database structure and corresponding password allows this remote access to be conducted in a secure and reliable manner.

DEFENDANT’S ACTS

15. Defendant provides hardware, software, and services that form building monitoring and automation systems, including ADT-branded products.

16. For example, Defendant provides ADT home security systems and ADT Pulse home automation systems that utilize a database(s) with multiple secure storage areas, reserved for respective protected spaces, that store data related to various events that are detected by a sensor of a protected space. The detected events are coded into packet messages and transferred to the

database(s) for storage in secure storage areas and subareas of the database(s). This stored data is then made available to a manager of the protected space, via the internet, based on a password assigned to that manager. For example, the ADT home security systems and ADT Pulse home automation systems can utilize a water sensor to detect a leak in a customer's monitored home and save this information to an area of a database that corresponds to the customer's home and the type of event signal event detected. The customer is then able to log in to ADT's mobile application or website with a password to review the data associated with the detection of the water leak within their home.



How much do you know about our home security?

Our home security systems are best known for monitoring against burglary and fire, but we also offer CO monitoring and flood detection, which can help with storm preparedness thanks to a water detection sensor.



Beyond our basic security, you should also look into our ADT Pulse® products. These include controls for lights, locks, live video, as well as remote temperature control, all accessible from our app.

<https://www.adt.com/features>

History Tab

Overview of the History Tab

The History tab displays logged information about the following types of occurrences during the default time period:

- Alerts**—Any alerts triggered and sent. For example, you can view historical information about when a window was opened.
- Automations**—Any automations that were triggered. For example, you can view historical information about when an automation sets a thermostat setting change.
- Schedules**—Any schedules that executed or were added, edited, or deleted. For example, you can view historical information about when a schedule turns on lights in your house.
- Notable Events**—Any arming or disarming events whether by a user or a schedule. For example, you can view historical information about when an alarm was cleared.
- Pictures/Clips**—Any pictures taken or video clips captured (and when these actions failed) manually by a user or triggered by an automation or schedule. For example, you can view historical information about when a schedule triggered a camera to take a picture.
 -  Appears if a picture was taken.
 -  Appears if a video was captured.
- Modes**—Any mode changes that occurred, whether manually or triggered by a schedule or automation. For example, you can view historical information about when a user changes the mode to At Home.
- Site Access**—Any site access (including admin users who signed in as the site owner) or any users added, edited, or deleted. For example, you can view historical information about when a user accessed your site and from which IP address.
- System**—Any system events. For example, you can view historical information about when a device went offline or came online.

https://www.adt.com/content/dam/adt/downloads/manuals/Web_Portal_User_Guide_2.pdf

17. Defendant instructs its customers to infringe the '553 Patent, including through its provision of product documentation and support at <https://www.adt.com/help>, <https://www.adt.com/help/faq/system-user-guides>, and https://www.adt.com/content/dam/adt/downloads/manuals/Web_Portal_User_Guide_2.pdf.

18. On information of belief, Defendant also implements contractual protections in the form of license and use restrictions with its customers to preclude the unauthorized reproduction, distribution and modification of its software and systems. Moreover, on information and belief, Defendant implements technical precautions to attempt to prevent customers from circumventing the intended operation of Defendant's products.

V. COUNT ONE

INFRINGEMENT OF U.S. PATENT NO. 6,657,553

19. SMS incorporates by reference its allegations in Paragraphs 1-18 as if fully restated in this paragraph.

20. SMS is the assignee and owner of all right, title and interest to the '553 Patent. SMS has the legal right to enforce the patent, sue for infringement, and seek equitable relief and damages.

21. On information and belief, Defendant, without authorization or license from SMS, has been and is presently directly infringing at least claims 1 and 35 of the '553 Patent, as infringement is defined by 35 U.S.C. § 271(a), including through making, using, selling and offering for sale methods and articles infringing one or more claims of the '553 Patent. Defendant is thus liable for direct infringement of the '553 Patent pursuant to 35 U.S.C. § 271(a). Exemplary infringing products include ADT home security systems and ADT Pulse home automation systems that store signal events detected within a protected space in a reserved area and subarea of a database that corresponds to the protected space.

22. On information and belief, at least since the filing of the Original Complaint, Defendant, without authorization or license from SMS, has been and is presently indirectly infringing at least claims 1 and 35 of the '553 Patent, including actively inducing infringement of the '553 Patent under 35 U.S.C. § 271(b). Its conduct includes knowingly instructing consumers to use infringing articles and methods that Defendant knows or should know infringe one or more claims of the '553 Patent. Defendant instructs its customers to make and use the patented inventions of the '553 Patent by operating Defendant's products in accordance with Defendant's written specifications. Defendant specifically intends its customers to infringe by directing its customers to install, or have installed, its security and automation systems in the customer's home

to generate and store data related to signal events within the customer's home and further to provide access to this stored data via the internet an infringing manner.

23. As a result of Defendant's infringement of the '553 Patent, SMS has suffered monetary damages, and is entitled to an award of damages adequate to compensate it for such infringement under 35 U.S.C. § 284, but in no event, less than a reasonable royalty.

VI. JURY DEMAND

24. Plaintiff SMS demands a trial by jury of all matters to which it is entitled to trial by jury, pursuant to FED. R. CIV. P. 38.

VII. PRAYER FOR RELIEF

WHEREFORE, SMS prays for judgment and seeks relief against Defendant as follows:

- A. That the Court determine that one or more claims of the '553 Patent is infringed by Defendant, either literally or under the doctrine of equivalents;
- B. That the Court award damages adequate to compensate SMS for the patent infringement that has occurred, together with prejudgment and post-judgment interest and costs, and an ongoing royalty for continued infringement;
- C. That the Court award such other relief to SMS as the Court deems just and proper.

DATED: March 2, 2018

Respectfully submitted,

/s/ Andrew G. DiNovo

Andrew G. DiNovo
Texas State Bar No. 00790594
adinovo@dinovoprice.com
Daniel L. Schmid
Texas State Bar No. 24093118
dschmid@dinovoprice.com

DINOVO PRICE LLP

7000 N. MoPac Expressway, Suite 350

Austin, Texas 78731

Telephone: (512) 539-2626

Telecopier: (512) 539-2627

*Counsel for Plaintiff Specialized Monitoring
Solutions, LLC*