

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

**SHERMAN DIVISION**

INNOVATION SCIENCES, LLC,

Plaintiff,

v.

VECTOR SECURITY, INC.,

Defendant.

**Civil Action No. 4:19-cv-772**

**JURY TRIAL DEMANDED**

**COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff Innovation Sciences, LLC (“Innovation” or “Plaintiff”), for its Complaint against Defendant Vector Security, Inc. (“Vector” or “Defendant”), alleges the following:

**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. § 1 *et seq.*

**THE PARTIES**

2. Plaintiff is a corporation organized under the laws of the State of Texas with a place of business at 5800 Legacy Circle, Suite 311, Plano, Texas 75024.

3. Upon information and belief, Defendant Vector is a corporation organized and existing under the laws of Pennsylvania, with a place of business at 2000 Ericsson Drive, Warrendale, PA 15086, and can be served through its registered agent, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington DE 19801. On June 3, 2019, Vector acquired ADS security. Upon information and belief, Vector (including ADS) sells and offers to sell products and services throughout the United States, including in this judicial

district, and introduces products and services that into the stream of commerce and that incorporate infringing technology knowing that they would be sold in this judicial district and elsewhere in the United States.

**Vector Security Acquires ADS Security to Grow Subscriber Base to 400K**

Collectively both companies will have close to \$20 million in recurring monthly revenue (RMR) and a customer base of nearly 400,000 subscribers.

June 03, 2019 SSI Staff Jump to Comments

PITTSBURGH — Vector Security has completed a deal to acquire ADS Security of Nashville, Tenn., for undisclosed terms.

The transaction officially closed Monday, according to an announcement.

ADS Security's strength in the Southeast combined with the current Vector Security footprint will establish a broader, deeper presence in the United States, the announcement says. Collectively both companies will have close to \$20 million in recurring monthly revenue (RMR) and a customer base of nearly 400,000 subscribers.

ADS Security employees will remain in their current roles with John Cerasuolo leading the ADS division, reporting directly to Vector Security President and CEO Pam Petrow. ADS Security will maintain its brand identity, becoming the fourth business unit under the Vector Security portfolio of companies.

"Our growth at ADS is on record pace. Over the past 16 months, we have recorded faster growth than any other time in company history. At ADS, we are excited by Vector Security's financial resources and stable ownership that will continue to fuel our growth ambitions and acquisition activity," states Cerasuolo. "We have similar cultures across both organizations and we look forward to leveraging the best of both companies."

The acquisition of ADS Security will fast track Vector Security's strategic growth initiatives through expanded geographic market reach, according to the announcement. The combination of the two companies adds new branch operations for Vector Security in Alabama, Mississippi, Georgia, South Carolina and Tennessee. The acquisition also expands market presence for

<https://www.securitysales.com/business/mergers/vector-acquires-ads-security/>

**VECTOR SECURITY**

**ADS Security**

*Vector Security announced the acquisition of ADS Security for undisclosed terms.*

#### JURISDICTION AND VENUE

4. This is an action for patent infringement arising under the Patent Laws of the United States, Title 35 of the United States Code.
5. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

6. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1400(b). Vector is a foreign corporation and may be sued in this judicial district. Venue is further proper because, upon information and belief, Vector has committed acts of infringement in this judicial district, and/or has purposely transacted business involving the accused products in this judicial district.

7. On information and belief, Defendant is subject to this Court's general and specific personal jurisdiction because it has sufficient minimum contacts within the State of Texas and this District, pursuant to due process and/or the Texas Long Arm Statute because Defendant purposefully availed itself of the privileges of conducting business in the State of Texas and in this District, because Defendant regularly conducts and solicits business within the State of Texas and within this District, and because Plaintiff's causes of action arise directly from each of Defendant's business contacts and other activities in the State of Texas and this District.

**COUNT I – INFRINGEMENT OF U.S. PATENT NO. 10,368,125**

8. The allegations set forth in the foregoing paragraphs 1 through 7 are incorporated into this First Claim for Relief.

9. On July 30, 2019, U.S. Patent No. 10,368,125 ("the '125 Patent"), entitled "METHOD AND SYSTEM FOR EFFICIENT COMMUNICATION," was duly and legally issued by the United States Patent and Trademark Office. A true and correct copy of the '125 Patent is attached as Exhibit 1.

10. The inventions of the '125 Patent provide for efficient communications and resolve technical problems related to the use of a multi-function wireless hub for information processing. For example, the '125 Patent overcomes limitations in the prior art relating to efficiently delivering multimedia information content received over a wireless communication network. Furthermore, the '125 Patent overcomes limitations in the prior art relating to

providing alerts as to the status of an item over the internet or other next-generation wireless communication network.

11. The inventions allow a user to efficiently set up a system comprising a hub configured to receive and convert wireless signals, as well as to communicate information concerning status updates for associated devices via multiple channels.

12. The claims of the '125 Patent recite an invention that is not merely the routine or conventional use of a wireless hub system. Instead, the invention integrates multiple wireless communications via cloud computing and management. For example, this invention uses WiFi and cellular networks and separate short range wireless channels to communicate information regarding the status of office/home devices.

13. The technology claimed in the '125 Patent does not preempt all ways of using wireless hub based decoding or monitoring systems, nor preempt the use of all wireless hub based decoding or monitoring systems, nor preempt any other well-known or prior art technology.

14. Accordingly, each claim of the '125 Patent recites a combination of elements sufficient to ensure that the claim in practice amounts to significantly more than a patent on an ineligible concept.

15. Plaintiff is the assignee and owner of the right, title and interest in and to the '125 Patent, including the right to assert all causes of action arising under said patents and the right to any remedies for infringement of them.

16. Upon information and belief, Defendant has and continues to directly infringe at least claims 38, and 47 of the '125 Patent by making, using, offering to sell, selling, importing and/or providing and causing to be used in the United States a wireless hub system, including but

not limited to the Qolsys IQ Panel, Honeywell system, and 2GIG Systems, video cameras, sensors, etc (collectively the “Accused Instrumentalities”). The “Accused Instrumentalities” include all current and future Vector (including ADS security) products, systems, and/or devices that operate in substantially similar fashion so as to infringe one or more claims of the ’125 Patent.

17. By way of example, claim 47 of the ’125 Patent recites an intelligent wireless hub system having a device identifier, configured to receive a wireless signal through a local area network communication channel. The claimed hub system converts the compressed wireless signal by decompression to produce corresponding information content. The wireless hub system is further configured to communicate information regarding the status of an item in connection with a separate short range communication.

18. The Accused Instrumentalities infringe claim 47 of the ’125 Patent, because each of the Accused Instrumentalities acts as an intelligent wireless hub system configured to receive, through a wireless network communication channel and via a network interface, a wireless signal, decompress the signal with a decoder, and convert it for production of corresponding information content. The Accused Instrumentalities are further configured to communicate information regarding an updated status of a device based on a short range communication initiated by a sensing device associated with a home or office device.

19. The Accused Instrumentalities each include a network interface configured to receive compressed wireless signals via a network communication channel. For example, the Accused Instrumentalities can receive a wireless signal through a Wireless Local Area Network (WLAN) or Wi-Fi network, or a cellular network.

20. The Accused Instrumentalities each have a decoder. For example, the processors used in the Accused '125 Instrumentalities have codecs used to decode video and audio signals.

21. The Accused Instrumentalities support different compressed video and audio formats that are decompressed by the codecs included in the processors for the Accused Instrumentalities. Examples of compressed audio file formats that can be handled by the Accused Instrumentalities include one or more of .3gp, .mp4, .m4a, .aac, .ts., .flac, .mp3, .mid, .ogg, .mkv, .wav, and .amr.

22. Examples of compressed video file formats that can be handled by the Accused Instrumentalities include one or more of .3gp, .mp4, .m4a, .aac, and .ts.

23. The Accused Instrumentalities each have a network interface configured to provide a communication through a network communication channel. For example, each of the Accused Instrumentalities can provide a communication through a communication channel established on a Wi-Fi or cellular network.

24. Each of the Accused Instrumentalities are further configured to communicate, via the network communication channel, information regarding an updated status about a home or office device, based on a short range wireless communication (via, for example, Zigbee or Z-Wave channel) initiated by a sensing device associated with such home or office device. For example, each of the Accused Instrumentalities, using the Amazon Alexa that comes with it, can control, monitor, or otherwise manage a status of an item, such as a smart home device. In order to control or monitor a status of an item, the Accused Instrumentalities are configured to communicate information (for example) through a communication channel established on a Wi-Fi connection.

25. The Accused Instrumentalities communicate with smart devices, such as smart switches, video cameras, sensors, etc.

The screenshot shows the ADS Security website interface. At the top left is the ADS Security logo. Navigation links include 'For Home', 'For Business', and 'Support', along with the phone number '1.800.448.5852' and a 'TALK TO A PRO' button. A 'Sign In / Register' link is in the top right. The main heading reads 'More Protection. Less Hassle.' Below this is a form to request a free quote, with fields for 'FULL NAME \*', 'MY ZIP CODE \*', 'EMAIL ADDRESS: \*', and 'PHONE NUMBER: \*'. A 'SUBMIT' button is at the bottom of the form. To the right of the form is a collage of smart home devices: a silver keypad, a smartphone displaying the ADS Security app, a tablet with a weather and security dashboard, a black smart switch, a white security camera, and a white smoke/CO detector. Below the form is a blue 'LIFETIME' seal graphic and the text: 'Unlike other home security systems, ours come with a lifetime guarantee.\*'. A small footnote reads: '\* The Lifetime Guarantee applies only to residential security systems.' At the bottom, three product categories are featured: 'Smart Security' (with a smartphone icon), 'Security Cameras' (with a camera icon), and 'Fire, Home & Safety' (with a detector icon).

adssecurity.com

Sign In / Register

**ADS Security**

For Home ▾ For Business ▾ | Support ▾ 1.800.448.5852 TALK TO A PRO

## More Protection. Less Hassle.

Fill out the form below to get a free home security quote.

**FULL NAME \*** **MY ZIP CODE \***

First and Last name ZIP Code

**EMAIL ADDRESS: \*** **PHONE NUMBER: \***

Email Mobile Number

By clicking the button below, you consent for ADS Security to use automated technology, including texts, phone calls, and emails, to contact you at the phone number and email provided about ADS Security offers. This consent is not required to make a purchase.

**SUBMIT**

**LIFETIME**

Unlike other home security systems, ours come with a lifetime guarantee.\*

\* The Lifetime Guarantee applies only to residential security systems.

**Smart Security**  
Make your home work for you.

**Security Cameras**  
Welcome to the 21st century. You can pull out your phone and instantly monitor what's

**Fire, Home & Safety**  
Home fires are deadly and damaging. Get help faster with smoke and CO detectors that call

The screenshot shows the homepage of adssecurity.com. At the top, there are three columns of text describing home automation features: 1) Alerts for kids getting home from school safely based on family schedules. 2) Triggering lights when returning home late. 3) Water sensors to prevent damage from burst pipes. Below this is a link: "Learn more about home automation".

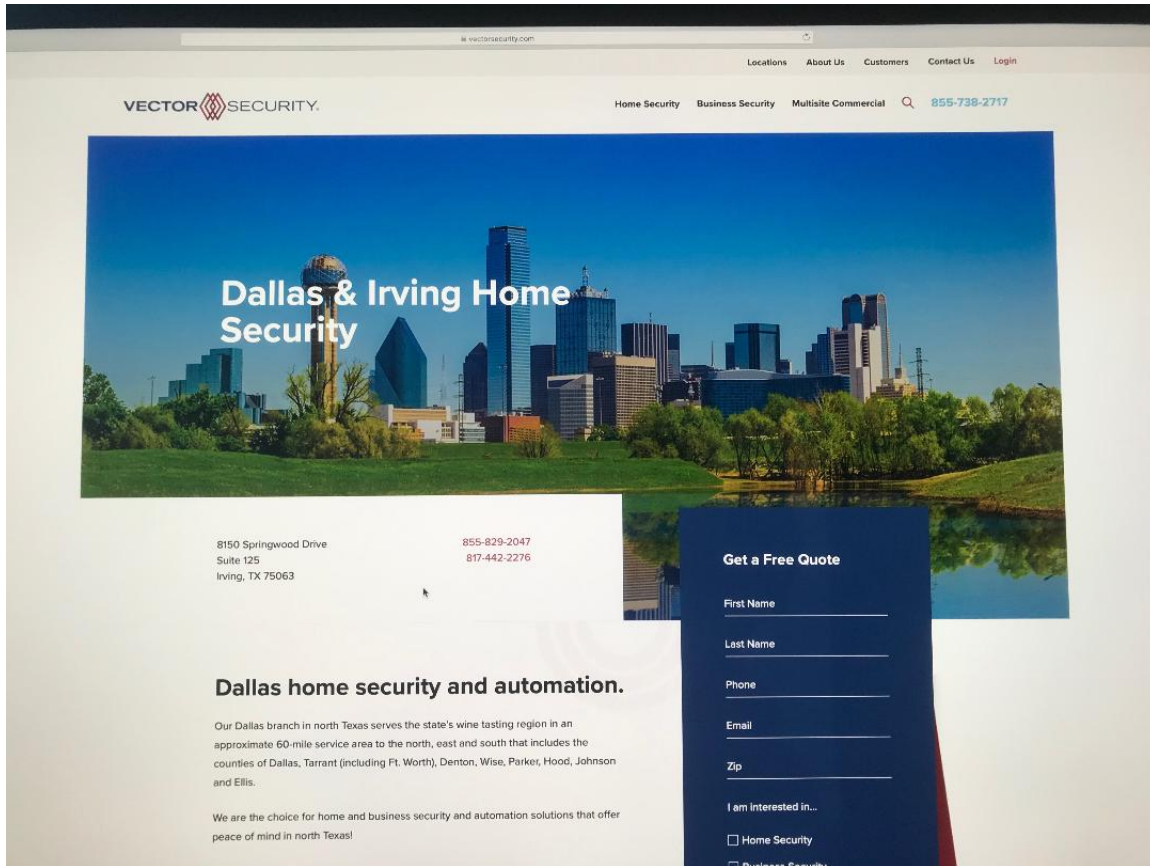
The main content area features a large graphic with an aerial view of a neighborhood. The text reads: "What crime is happening in your neighborhood?" with a red button that says "GET MY CRIME REPORT". To the right, there is a section titled "Build Your System" with a "GET STARTED" button. Below this are images of various security devices: a smartphone displaying the app interface, a white doorbell camera, a circular ceiling-mounted camera, and a tablet displaying a control panel.

At the bottom left, there is a "Customer Story" section titled "Preparing For a Baby". The text describes how Kyle, a new dad, used the system for family safety. A "View this story" link is provided. To the right of the text is a video player showing a man sitting on a couch, with a play button icon overlaid on the video.

<https://adssecurity.com>

26. On information and belief, the Accused Instrumentalities are used, marketed, provided to, and/or used by or for each of Defendant's partners, clients, customers and end users across the country and in this District.





<https://www.vectorsecurity.com/locations/irving/8150-springwood-drive-suite-125>

27. Defendant was made aware of the '125 Patent and its infringement thereof at least as early as July 30, 2019. Plaintiff's Counsel sent Defendant actual notice of the claims of the '125 patent on May 6, 2019, in the form of a letter with the Notice of Allowance attached with the patent claims of the '125 patent included as an attachment to the letter. See Exhibit 2.

28. The Accused Instrumentalities are configured to infringe, and do in fact infringe, at least one claim of the '125 Patent directly, as marketed, used, offered for sale, and/or sold by Defendant in the United States.

29. Additionally and/or in the alternative, and upon information and belief, since at least the time Defendant received notice, Defendant has induced and continues to induce others to infringe at least one claim of the '125 Patent under 35 U.S.C. § 271(b) by, among other things,

and with specific intent or willful blindness, actively aiding and abetting others to infringe, including but not limited to Defendant's partners, clients, customers, and end users, whose configuration and use of the Accused Instrumentalities constitutes direct infringement of at least one claim of the '125 Patent.

30. In particular, Defendant's actions that aid and abet others such as its partners, customers, clients, and end users to infringe include advertising and distributing the Accused Instrumentalities and providing advertising, instruction materials, training, and services regarding the Accused Instrumentalities. On information and belief, Defendant has engaged in such actions with specific intent to cause infringement or with willful blindness to the resulting infringement because Defendant has had actual knowledge of the '125 Patent and knowledge that its acts were inducing infringement of the '125 Patent since at least the date Defendant received notice that such activities infringed the '125 Patent.

31. Additionally and/or in the alternative, and upon information and belief, Defendant is liable as a contributory infringer of the '125 Patent under 35 U.S.C. § 271(c) by making, using, offering to sell, selling, and/or importing into the United States the Accused Instrumentalities and components thereof, which are especially made or adapted for use in an infringement of one or more claims of the '125 Patent. The Accused Instrumentalities are a material component for use in practicing one or more claims of the '125 Patent and are specifically made and are not a staple article of commerce suitable for substantial non-infringing use.

32. Since at least the date of issuance of the '125 Patent, Defendant has willfully infringed the claims of the '125 Patent, based on prior litigation and the notice given to Defendant on May 6, 2019 in a letter to Vector's counsel disclosing the impending issuance and attaching the notice of allowance containing the patent claims. See Exhibit 2.

33. Plaintiff has been harmed, and will continue to suffer harm, by Defendant's infringing activities.

**JURY DEMAND**

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff demands a trial by jury on all issues triable as such.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff demands judgment for itself and against Defendant as follows:

- A. An adjudication that Defendant has infringed the '125 Patent;
- B. An award of damages to be paid by Defendant adequate to compensate Plaintiff for Defendant's past infringement of the '125 Patent and any continuing or future infringement through the date such judgment is entered, including interest, costs, expenses and an accounting of all infringing acts including, but not limited to, those acts not presented at trial;
- C. A declaration that this case is exceptional under 35 U.S.C. § 285, and an award of Plaintiff's reasonable attorneys' fees;
- D. An award of damages to be paid by Defendant in the form of an ongoing royalty for all infringing manufacture, use, importation, and sale of infringing devices and products following trial in this matter and extending through the date the '125 Patent expires; and
- E. An award to Plaintiff of such further relief at law or in equity as the Court deems just and proper.

Dated: October 19, 2019

Respectfully submitted,

*/s/ M. Scott Fuller*

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