

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

FILED-CLERK  
U.S. DISTRICT COURT  
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TX EASTERN-MARSHALL

T-NETIX, INC.

Plaintiff,

v.

DIGITAL SOLUTIONS, INC., AND  
ITI INMATE TELEPHONE, INC.,

Defendants.

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Civil Action No. 2 - 08 CV - 367

Jury Trial Requested

**PLAINTIFF'S COMPLAINT FOR PATENT INFRINGEMENT  
AND JURY DEMAND**

Plaintiff T-NETIX, Inc. files this Complaint for patent infringement against Defendants Digital Solutions, Inc. and ITI Inmate Telephone, Inc. and alleges as follows:

**I.  
PARTIES**

1. Plaintiff T-NETIX, Inc. ("T-NETIX") is a Delaware corporation with its principal place of business in Dallas, Texas.

2. Upon information and belief, Defendant Digital Solutions, Inc., ("DSI") is a Pennsylvania corporation with its principal place of business in Altoona, Pennsylvania. DSI may be served with process by serving its President and Chief Executive Officer, Anthony R Bambocci, at 4200 Industrial Park Dr., Altoona, Pennsylvania 16602.

3. Upon information and belief, Defendant ITI Inmate Telephone, Inc., ("ITI") is a Pennsylvania corporation with its principal place of business in Altoona, Pennsylvania. ITI may be served with process by serving its registered agent in the State of Texas, CT Corporation System, at its registered address, 350 North St. Paul St., Dallas, Texas 75201.

**II.**  
**JURISDICTION AND VENUE**

4. This action arises under the patent laws of the United States, 35 U.S.C. § 101 *et seq.* This Court has original and exclusive jurisdiction over the subject matter of the Complaint under 28 U.S.C. §§ 1331 and 1338(a).

5. Upon information and belief, Defendants DSI and ITI (collectively “Defendants”) have a branch office and are transacting business within the State of Texas and have committed acts of patent infringement within the State of Texas and, more specifically, within the Eastern District of Texas. Defendants are therefore subject to the personal jurisdiction of this Court.

6. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b)-(c) and 1400(b).

**III.**  
**PATENT INFRINGEMENT**

7. United States Patent No. 5,485,507 (the “’507 Patent”) entitled “Integrated Commissary System” was duly and legally issued by the United States Patent and Trademark Office on January 16, 1996, after full and fair examination. T-NETIX is the assignee of all rights, title, and interest in and to the ’507 Patent, and possesses all rights of recovery, including the right to recover all past damages under the ’507 Patent. A copy of the ’507 Patent is attached as **Exhibit “A”**

8. United States Patent No. 6,560,323 (the “’323 Patent”) entitled “Computer-Based Method and Apparatus for Controlling, Monitoring, Recording and Reporting Telephone Access” was duly and legally issued by the United States Patent and Trademark Office on May 6, 2003, after full and fair examination. T-NETIX is the assignee of all rights, title, and interest

in and to the '323 Patent, and possesses all rights of recovery, including the right to recover all past damages under the '323 Patent. A copy of the '323 Patent is attached as **Exhibit "B."**

9. T-NETIX makes, uses, sells and offers to sell to the telecommunications industry specialized call-processing and billing equipment and services for correctional institutions, direct local and long-distance call processing for correctional facilities, value-added telecommunications services such as pre-connection restrictions, digital recording, jail and inmate management systems, video booking and other related goods and services, including commissary services.

10. Defendants make, use, sell, or offer to sell specialized call-processing and billing equipment and services for correctional institutions, including commissary services, in competition with T-NETIX. On information and belief, Defendants by making, using, selling, offering to sell in the United States, without authority, products and services including their integrated Offender Communication System and Offender Management System have directly and indirectly infringed (by inducement) and are continuing to infringe, directly and indirectly, the '507 and '323 patents (collectively the "Patents-in-Suit") in this District and otherwise within the United States.

**Count One –Infringement of '507 Patent**

11. T-NETIX re-alleges and incorporates by reference paragraphs 1-10 above.

12. Defendants have infringed and continue to directly and indirectly infringe one or more claims of the '507 Patent by among other things, manufacturing, using, selling, or offering to sell goods and services, as stated above, that practice the '507 Patent in violation of 35 U.S.C. § 271.

**Count Two – Infringement of '323 Patent**

13 T-NETIX re-alleges and incorporates by reference paragraphs 1-10 above.

14. Defendant ITI has infringed and continues to directly and indirectly infringe one or more claims of the '323 Patent by, among other things, manufacturing, using, selling, or offering to sell goods and services, as stated above, that practice the '323 Patent in violation of 35 U.S.C. § 271.

**IV.  
REMEDIES**

15. As a direct and proximate consequence of the acts and practices of Defendants in infringing and/or inducing the infringement of one or more claims of the Patents-in-Suit, T-NETIX has been damaged in an amount to be determined at trial and will continue to be damaged in its business and property rights as a result of Defendants' infringing activities, unless such activities are enjoined by this Court. Pursuant to 35 U.S.C. § 284, T-NETIX is entitled to damages adequate to compensate for the infringement, including, *inter alia*, lost profits and/or a reasonable royalty.

16. By reason of the infringing acts and practices of Defendants, Defendants have caused, are causing, and, unless such acts and practices are enjoined by the Court, will continue to cause immediate and irreparable harm to T-NETIX for which there is no adequate remedy at law, and for which T-NETIX is entitled to injunctive relief under 35 U.S.C. § 283. T-NETIX therefore requests a permanent injunction prohibiting Defendants, their directors, officers, employees, agents, parents, subsidiaries, affiliates, and anyone else in active concert or participation with them from infringement, inducement to infringe, or contributory infringement of the Patents-in-Suit, including the manufacture, sale, offer for sale, distribution, or promotion of products and/or services falling within the scope of the Patents-in-Suit.

17 T-NETIX has given Defendants actual notice of its rights in the Patents-in-Suit by written notice, by filing suit or otherwise or, in the alternative, have given constructive notice pursuant to 35 U.S.C. § 287(a). Defendants have knowledge of the Patents-in-Suit, and have not ceased their infringing activities. Defendants' infringement of the Patents-in-Suit has been and continues to be willful and deliberate.

**V.**  
**COSTS INTEREST AND ATTORNEYS' FEES**

18. T-NETIX requests the Court award it all reasonable attorneys' fees and costs incurred in this litigation and pre- and post-judgment interest pursuant to 35 U.S.C. §§ 284 and 285.

**VI.**  
**JURY DEMAND**

19. T-NETIX requests a jury trial of all issues in this action so triable.

**VII.**  
**PRAYER FOR RELIEF**

**WHEREFORE**, Plaintiff T-NETIX respectfully requests the following relief:

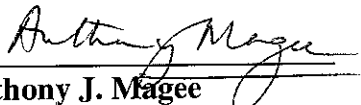
1. A judgment that Defendant DSI has infringed, directly and/or indirectly, the '507 Patent;
2. A judgment and order permanently enjoining Defendant DSI and its directors, officers, employees, agents, parents, subsidiaries, affiliates, and all persons in active concert or participation with it from infringement, inducement to infringe, or contributory infringement of the '507 Patent, including the manufacture, sale, offer for sale, distribution, or promotion of products and/or services falling within the scope of the '507 Patent, pursuant to 35 U.S.C. § 283;
3. A judgment and order requiring Defendant DSI to pay T-NETIX damages sufficient to compensate T-NETIX for the infringement of the '507 Patent, in an amount not less than T-NETIX's lost profits and/or a reasonable royalty and interest and costs, pursuant to 35 U.S.C. § 284, and supplemental damages for any continuing post-verdict infringement up until entry of final judgment with an accounting, as needed;

4. A judgment and order awarding treble damages, pursuant to 35 U.S.C. § 284, to the extent that DSI's acts of infringement of the '507 Patent are determined to be willful;
5. An award of prejudgment interest, pursuant to 35 U.S.C. § 284, from the date of each act of infringement of the '507 Patent by DSI to the day a damages judgment is entered, and a further award of post-judgment interest, pursuant to 28 U.S.C. § 1961, continuing until such judgment is paid;
6. An award of all costs and reasonable attorneys' fees against DSI, pursuant to 35 U.S.C. §§ 284 and 285, based on Defendant's infringement of the '507 Patent;
7. A judgment that Defendant ITI has infringed, directly and/or indirectly, the '507 and/or '323 Patents;
8. A judgment and order permanently enjoining Defendant ITI and its directors, officers, employees, agents, parents, subsidiaries, affiliates, and all persons in active concert or participation with it from infringement, inducement to infringe, or contributory infringement of the '507 and/or '323 Patents, including the manufacture, sale, offer for sale, distribution, or promotion of products and/or services falling within the scope of the '507 and/or '323 Patents, pursuant to 35 U.S.C. § 283;
9. A judgment and order requiring Defendant ITI to pay T-NETIX damages sufficient to compensate T-NETIX for the infringement of the '507 and '323 Patents, in an amount not less than T-NETIX's lost profits and/or a reasonable royalty and interest and costs, pursuant to 35 U.S.C. § 284, and supplemental damages for any continuing post-verdict infringement up until entry of final judgment with an accounting, as needed;
10. A judgment and order awarding treble damages, pursuant to 35 U.S.C. § 284, to the extent that ITI's acts of infringement of the Patents-in-Suit are determined to be willful;
11. An award of prejudgment interest, pursuant to 35 U.S.C. § 284, from the date of each act of infringement of the Patents-in-Suit by ITI to the day a damages judgment is entered, and a further award of post-judgment interest, pursuant to 28 U.S.C. § 1961, continuing until such judgment is paid;
12. An award of all costs and reasonable attorneys' fees against ITI, pursuant to 35 U.S.C. §§ 284 and 285, based on Defendant's infringement of the Patents-in-Suit;

13. Such other and further relief to which T-NETIX may be entitled.

DATED: September 29, 2008

Respectfully submitted,

By:   
**Anthony J. Magee**  
(Lead Attorney)  
State Bar No. 00786081  
amagee@ghjhlaw.com  
**G. Michael Gruber**  
State Bar No. 08555400  
mgruber@ghjhlaw.com  
**Michael J. Lang**  
State Bar No. 24036944  
mlang@ghjhlaw.com

**GRUBER HURST JOHANSEN & HAIL, LLP**  
1445 Ross Ave., Suite 2500  
Dallas, Texas 75202  
Telephone: 214.855 6800  
Facsimile: 214.855 6808

**ATTORNEYS FOR PLAINTIFF T-NETIX,  
INC.**