

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

NEOLOGY, INC.,

Plaintiff,

v.

FEDERAL SIGNAL CORPORATION,
FEDERAL SIGNAL TECHNOLOGIES,
LLC, and SIRIT CORP.,

Defendants.

Civil Action No: _____

DEMAND FOR JURY TRIAL

COMPLAINT FOR PATENT INFRINGEMENT

Plaintiff Neology, Inc., (“Neology”) a Delaware corporation, by and through its undersigned attorneys alleges as follows:

The Parties

1. Neology is a corporation duly organized under the laws of the State of Delaware, with its principal place of business at 12760 Danielson Ct., Suite A, Poway California, 92064.

2. Neology is informed and believes and thereon alleges that defendant Federal Signal Corporation (“FSC”) is a corporation duly organized under the laws of the state of Delaware, with its principal place of business at 1415 West 22nd Street, Suite 1100, Oak Brook, Illinois 60523.

3. Neology is informed and believes and thereon alleges that defendant Federal Signal Technologies, LLC (“FSTech”), is a limited liability corporation duly organized under the laws of the State of Delaware doing business as Federal Signal Technologies Group, with its principal place of business at 2 Technology Drive, Suite 100, Irvine, California 92618.

4. Neology is informed and believes and thereon alleges that defendant Sirit Corporation (“Sirit”) is a corporation duly organized under the laws of the State of Texas, with its principal place of business at 2 Technology Drive, Suite 100, Irvine, California 92618.

5. Neology is informed and believes that Sirit and FSTech are both wholly owned subsidiaries or affiliated companies of FSC.

6. Defendants FSC, FSTech, and Sirit are collectively referred to herein as “Defendants.”

Nature of Claims, Jurisdiction, and Venue

7. This action arises under the Patent Laws of the United States under 35 U.S.C. §§ 271 *et seq.*, and seeks damages, injunctive relief and attorneys’ fees under 35 U.S.C. §§ 283, 284, and 285. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338.

8. This Court has personal jurisdiction over Defendants because Defendants are incorporated in this district and/or because Defendants do business in this judicial district, have purposely availed themselves of the privileges and benefits of the laws of the State of Delaware, have directed continuous and systematic activities at this judicial district, and have, on information and belief, committed acts of patent infringement during the course of their business within this judicial district.

9. Venue is proper in this district pursuant to 28 U.S.C. §§ 1391 and 1400(b).

Count I

(Patent Infringement, Contributory Infringement & Inducement To Infringe ‘819 Patent)

10. Plaintiff Neology incorporates and alleges paragraphs 1-9 above as if fully set forth herein.

11. On July 25, 2006, United States Letters Patent No. 7,081,819 (the “‘819 Patent”) was duly and properly issued for an invention entitled “System and Method for Providing Secure Identification Solutions.” The ‘819 Patent was duly and legally issued to Neology, assignee of inventors Francisco Martinez de Velasco Cortina and Manfred Rietzler. A copy of the ‘819 Patent is attached hereto as Exhibit “A.”

12. Neology is the owner of the ‘819 Patent and has all legal and equitable rights to enforce the ‘819 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the ‘819 Patent.

13. The '819 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

14. Despite the fact that Neology has exclusive rights in the inventions of the '819 Patent, Defendants have infringed, have contributed to the infringement of, and/or have induced infringement of, literally or under the doctrine of equivalents, the '819 Patent by making, using, offering to sell, and/or selling Radio Frequency Identification ("RFID") systems that comprise RFID readers, RFID tags, system software and system integration services that infringe or contribute to, or induce others to infringe at least claim 1 of the '819 Patent. These infringing systems and services comprise at least the following products: *IDentity* Windshield Mount Tag (transferable and non-transferable), *IDentity* Headlamp Mount Tag, *IDentity* External License Plate Tag, *IDentity* Self Declaration Tag, *IDentity* Card Tag, *IDentity* 5100 multi-protocol reader, *IDentity* 5100 ETSI multi-protocol reader, *IDentity* 5200/5204 multi-protocol reader, *IDentity* 5200/5204 ETSI multi-protocol reader, and the *INfinity* 610 multi-protocol reader. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement of, the '819 Patent unless enjoined by this Court. Defendants' infringement and other actions have caused substantial injury to Neology.

15. On information and belief, Defendants' acts were committed knowingly and intentionally.

16. Prior to the filing of the lawsuit Defendants knew of the existence of the '819 Patent. On at least one occasion, on or about 2008, Neology made an investor presentation to Defendants' executives that included a disclosure of the '819 Patent.

17. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

Count II

(Patent Infringement, Contributory Infringement & Inducement To Infringe '746 Patent)

18. Plaintiff Neology incorporates and alleges paragraphs 1-17 above as if fully set forth herein.

19. On March 2, 2010, United States Letters Patent No. 7,671,746 (the “‘746 Patent”) was duly and properly issued for an invention entitled “System and Method for Providing Secure Identification Solutions.” The ‘746 Patent was duly and legally issued to Neology, assignee of inventors Francisco Martinez de Velasco Cortina and Manfred Rietzler. A copy of the ‘746 Patent is attached hereto as Exhibit “B.”

20. Neology is the owner of the ‘746 Patent and has all legal and equitable rights to enforce the ‘746 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the ‘746 Patent.

21. The ‘746 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

22. Despite the fact that Neology has exclusive rights in the inventions of the ‘746 Patent, Defendants have infringed, contributed to the infringement of, and/or have induced infringement of, literally or under the doctrine of equivalents, the ‘746 Patent by making, using, offering to sell, and/or selling RFID systems that comprise RFID readers, RFID tags, system software and system integration services that infringe, or contribute to, or induce others to infringe at least claim 16 of the ‘746 Patent. These infringing systems and services comprise at least the following products: *IDentity* Windshield Mount Tag (transferable and non-transferable), *IDentity* Headlamp Mount Tag, *IDentity* External License Plate Tag, *IDentity* Self Declaration Tag, *IDentity* Card Tag, *IDentity* 5100 multi-protocol reader, *IDentity* 5100 ETSI multi-protocol reader, *IDentity* 5200/5204 multi-protocol reader, *IDentity* 5200/5204 ETSI multi-protocol reader, and the *INfinity* 610 multi-protocol reader. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement of, the ‘746 Patent unless enjoined by this Court. Defendants’ infringement and other actions have caused substantial injury to Neology.

23. On information and belief, Defendants’ acts were committed knowingly and intentionally.

24. Prior to the filing of the lawsuit Defendants knew of the existence of the '746 Patent and/or the pending patent application that resulted in the '746 Patent. On at least one occasion, on or about 2008, Neology made an investor presentation to Defendants' executives that included a disclosure of the technology covered in the '746 Patent and/or its pending patent application, which is a continuation of the '819 Patent.

25. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

Count III

(Patent Infringement, Contributory Infringement & Inducement To Infringe '443 Patent)

26. Plaintiff Neology incorporates and alleges paragraphs 1-25 above as if fully set forth herein.

27. On May 8, 2001, United States Letters Patent No. 6,229,443 (the "'443 Patent'") was duly and properly issued for an invention entitled "Apparatus and Method for Detuning of RFID Tag to Regulate Voltage." The '443 Patent was duly and legally issued to Single Chip Systems, Inc. ("SCS"), assignee of inventor Bruce Roesner. SCS assigned the '443 Patent to Neology. A copy of the '443 Patent is attached hereto as Exhibit "C."

28. Neology is the owner of the '443 Patent and has all legal and equitable rights to enforce the '443 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the '443 Patent.

29. The '443 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

30. Despite the fact that Neology has exclusive rights in the inventions of the '443 Patent, Defendants have infringed, contributed to the infringement of, and/or have induced infringement of, literally or under the doctrine of equivalents, the '443 Patent by making, using, offering to sell, and/or selling at least the following products: UHF antenna inlays including at least models IN-16, IN-70, and IN-74, which embody at least claim 7 of the '443 Patent. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement unless

enjoined by this Court. Defendants' infringement and other actions have caused substantial injury to Neology.

31. On information and belief, Defendants' acts were committed knowingly and intentionally.

32. Since at least 2007, Defendants knew of the existence of the '443 Patent. On or about 2002, Mr. Bruce Roesner left his position at SCS (one of SCS's founders, and SCS's CEO and Chief Technology Officer) in charge of overseeing the development and protection of SCS's intellectual property. On or about January 2007 Mr. Roesner joined defendant Sirit as its Chief Technology Officer. Mr. Bruce Roesner is also a named inventor of the '443 Patent.

33. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

Count IV

(Patent Infringement, Contributory Infringement & Inducement To Infringe '264 Patent)

34. Plaintiff Neology incorporates and alleges paragraphs 1-22 above as if fully set forth herein.

35. On February 10, 2004, United States Letters Patent No. 6,690,264 (the "'264 Patent'") was duly and properly issued for an invention entitled "Selective Cloaking Circuit for use in a Radiofrequency Identification and Method of Cloaking RFID Tags." The '264 Patent was duly and legally issued to SCS, assignee of inventor Dave Dalglish. SCS duly assigned the '264 Patent to Neology. A copy of the '264 Patent is attached hereto as Exhibit "D."

36. Neology is the owner of the '264 Patent and has all legal and equitable rights to enforce the '264 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the '264 Patent.

37. The '264 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

38. Despite the fact that Neology has exclusive rights in the inventions of the '264 Patent, Defendants have infringed, contributed to the infringement of, and/or has induced infringement

of, literally or under the doctrine of equivalents, the '264 Patent by making, using, offering to sell, and/or selling RFID systems that comprise RFID readers, RFID tags, system software and system integration services that infringe, or contribute to, or induce others to infringe at least claim 1 of the '264 Patent. These infringing systems and services comprise at least the following products: UHF antenna inlays model numbers IN-16, IN-43, IN-49, IN-50, IN-54, IN-55, IN-58, IN-69, IN-70, IN-74, IN-75, *IDentity* Windshield Mount Tag (transferable and non-transferable), *IDentity* Headlamp Mount Tag, *IDentity* External License Plate Tag, *IDentity* Self Declaration Tag, *IDentity* Card Tag, *IDentity* 5100 multi-protocol reader, *IDentity* 5100 ETSI multi-protocol reader, *IDentity* 5200/5204 multi-protocol reader, *IDentity* 5200/5204 ETSI multi-protocol reader, and the *INfinity* 610 multi-protocol reader. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement unless enjoined by this Court. Defendants' infringement and other actions have caused substantial injury to Neology.

39. On information and belief, Defendants' acts were committed knowingly and intentionally.

40. Prior to the filing of the lawsuit Defendants knew of the existence of the '264 Patent. On or about 2002, Mr. Bruce Roesner left his position at SCS (one of SCS's founders, and SCS's CEO and Chief Technology Officer) in charge of overseeing the development and protection of SCS's intellectual property. On or about January 2007 Mr. Roesner joined defendant Sirit as its Chief Technology Officer.

41. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

Count V

(Patent Infringement, Contributory Infringement & Inducement To Infringe '653 Patent)

42. Plaintiff Neology incorporates and alleges paragraphs 1-41 above as if fully set forth herein.

43. On June 20, 2006, United States Letters Patent No. 7,064,653 (the "'653 Patent") was duly and properly issued for an invention entitled "Selective Cloaking Circuit for use in Radio

Frequency Identification and Method of Cloaking RFID Tags.” The ‘653 Patent was duly and legally issued to SCS, assignee of inventor Dave Dalglish. SCS duly assigned the ‘653 Patent to Neology. A copy of the ‘653 Patent is attached hereto as Exhibit “E.”

44. Neology is the owner of the ‘653 Patent and has all legal and equitable rights to enforce the ‘653 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the ‘653 Patent.

45. The ‘653 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

46. Despite the fact that Neology has exclusive rights in the inventions of the ‘653 Patent, Defendants have infringed, contributed to the infringement of, and/or have induced infringement of, literally or under the doctrine of equivalents, the ‘653 Patent by making, using, offering to sell, and/or selling RFID systems that comprise RFID readers, RFID tags, system software and system integration services that infringe, or contribute to, or induce others to infringe at least claim 5 of the ‘653 Patent. These infringing systems and services comprise at least the following products: UHF antenna inlays model numbers IN-16, IN-43, IN-49, IN-50, IN-54, IN-55, IN-58, IN-69, IN-70, IN-74, and IN-75, *IDentity* Windshield Mount Tag (transferable and non-transferable), *IDentity* Headlamp Mount Tag, *IDentity* External License Plate Tag, *IDentity* Self Declaration Tag, *IDentity* Card Tag, *IDentity* 5100 multi-protocol reader, *IDentity* 5100 ETSI multi-protocol reader, *IDentity* 5200/5204 multi-protocol reader, *IDentity* 5200/5204 ETSI multi-protocol reader, and the *INfinity* 610 multi-protocol reader. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement unless enjoined by this Court. Defendants’ infringement and other actions have caused substantial injury to Neology.

47. On information and belief, Defendants’ acts were committed knowingly and intentionally.

48. Since at least 2007, Defendants knew of the existence of the ‘653 Patent. On or about 2002, Mr. Bruce Roesner left his position at SCS (one of SCS’s founders, and SCS’s CEO and Chief Technology Officer) in charge of overseeing the development and protection of SCS’s

intellectual property. On or about January 2007 Mr. Roesner joined defendant Sirit as its Chief Technology Officer.

49. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

Count VI

(Patent Infringement, Contributory Infringement & Inducement To Infringe '788 Patent)

50. Plaintiff Neology incorporates and alleges paragraphs 1-49 above as if fully set forth herein.

51. On January 5, 1999, United States Letters Patent No. 5,856,788 (the "'788 Patent'") was duly and properly issued for an invention entitled "Method and Apparatus for Radiofrequency Identification Tags." The '788 Patent was duly and legally issued to SCS, assignee of inventors Ronald Walter and Keith Vertrees. SCS duly assigned the '788 Patent to Neology. A copy of the '788 Patent is attached hereto as Exhibit "F."

52. Neology is the owner of the '788 Patent and has all legal and equitable rights to enforce the '788 Patent, to bring and maintain this action, and to make, have made, use, import, offer or sell products or services covered by the '788 Patent.

53. The '788 Patent is now, and at all relevant times since its date of issuance has been, valid and enforceable.

54. Despite the fact that Neology has exclusive rights in the inventions of the '788 Patent, Defendants have infringed, contributed to the infringement of, and/or have induced infringement of, literally or under the doctrine of equivalents, the '788 Patent by making, using, offering to sell, and/or selling RFID systems and products that infringe, or contribute to, or induce others to infringe at least claim 1 of the '788 Patent. These infringing systems and services comprise at least the following products: HF antenna inlays model numbers IN-500, IN-501, IN-504, IN-505, IN-506, IN-520, and IN-560. It is believed that Defendants will continue to infringe, contributorily infringe, and/or induce infringement unless enjoined by this Court. Defendants' infringement and other actions have caused substantial injury to Neology.

55. On information and belief, Defendants' acts were committed knowingly and intentionally.

56. Prior to the filing of the lawsuit Defendants knew of the existence of the '788 Patent. On or about 2002, Mr. Bruce Roesner left his position at SCS (one of SCS's founders, and SCS's CEO and Chief Technology Officer) in charge of overseeing the development and protection of SCS's intellectual property. On or about January 2007, Mr. Roesner joined defendant Sirit as its Chief Technology Officer.

57. The amount of money damages that plaintiff Neology has suffered due to Defendants' acts of infringement has not been calculated but is subject to proof at trial.

REQUESTED RELIEF

WHEREFORE, plaintiff Neology respectfully requests the following relief:

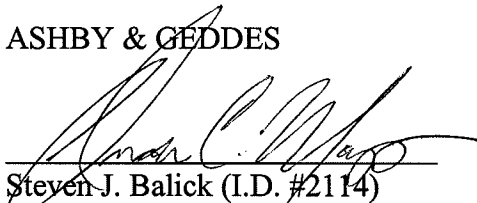
- a. judgment that Defendants infringe the '819 Patent;
- b. judgment that Defendants infringe the '746 Patent;
- c. judgment that Defendants infringe the '443 Patent;
- d. judgment that Defendants infringe the '264 Patent;
- e. judgment that Defendants infringe the '653 Patent;
- f. judgment that Defendants infringe the '788 Patent;
- g. the entry of a permanent injunction, requiring Defendants and their officers, directors, agents, servants, employees, attorneys, licensees, successors, assigns, and customers, and those in active concert or participation with any of them, to stop making, using, offering to sell, or selling in the United States or importing into the United States any devices that infringe any claim of the '819, '746, '443, '264, '653, and '788 Patents, or contributing to or inducing the same by others;
- h. judgment against each of the defendants for money damages to Neology for Defendants' infringement, contributory infringement, and/or inducement of infringement of the '819, '746, '443, '264, '653, and '788 Patents, including but not limited to reasonable royalties and/or lost profits;

- i. that any such money judgment against Defendants be trebled in view of the willful and deliberate nature of the Defendants' infringement;
- j. an award to Neology of prejudgment and postjudgment interest;
- k. an accounting by Defendants sufficient to determine damages;
- l. judgment that this is an exceptional case under 35 U.S.C. § 285, and an award to Neology of its costs and expenses of suit, including reasonable attorneys' fees for bringing and prosecuting this action; and
- m. such other and further relief as the Court may deem just and proper.

JURY DEMAND

Neology respectfully requests a jury trial on all issues triable to a jury.

ASHBY & GEDDES



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