IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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| **CANATELO, LLC**<br>    Plaintiff, | **CIVIL NUM.:** |
| v. | **PLAINTIFF REQUESTS TRIAL BY JURY** |
| **VIVOTEK USA, INC.** | **PATENT INFRINGEMENT** |
|    Defendant. | |

## COMPLAINT FOR INFRINGEMENT OF PATENT

TO THE HONORABLE COURT:

COMES NOW, Plaintiff Canatelo, LLC ("Canatelo"), through the undersigned attorneys, and respectfully alleges, states, and prays as follows:

## NATURE OF THE ACTION

1. This is an action for patent infringement under the Patent Laws of the United States, Title 35 of the United States Code ("U.S.C.") to prevent and enjoin Defendant Vivotek, Inc. ("Defendant") from infringing and profiting, in an illegal and unauthorized manner and without authorization and/or consent from Plaintiff, from U.S. Patent Nos. 7,310,111 (the "'111 patent") and 6,476,858 (the "'858 patent") pursuant to 35 U.S.C. §271, and to recover damages, attorneys fees, and costs.

## JURISDICTION AND VENUE

2. The Court has subject matter jurisdiction over this action pursuant to 28 U.S.C. §§1331 and 1338(a).

3. Venue lies in this judicial district pursuant to 28 U.S.C. §§1391 and 1400(b).

4.  Upon information and belief, Defendant has conducted and does conduct business within the Commonwealth of Puerto Rico, directly or through intermediaries, resellers or agents, sells, offers for sale, advertises (including the use of web pages with promotional material) products or services, or uses or induces others to use services or products in Puerto Rico that infringe the '111 and '858 patents, (collectively, the "Asserted Patents") or knowingly contributes to infringement of the Asserted Patents.

5.  In addition to the Defendant's continuously and systematically conducting business in Puerto Rico, the cause of action against Defendant arises from (but is not limited to) the Defendant's purposeful acts of patent infringement committed in Puerto Rico, including Defendant's making, using, importing, offering for sale, or selling video-based security systems which include features that fall within the scope of at least one claim of the Asserted Patents.

6.  Specifically, Vivotek regularly conducts business in the district with a company registered and licensed in the Commonwealth of Puerto Rico with its sole location within the Commonwealth.

7.   Vivotek actively sells, offers to sell, and advertises in the Commonwealth of Puerto Rico through a specifically authorized reseller and associated reseller.  For example, Vivotek's website specifically directs prospective customers within the district to three authorized resellers, one of which has a physical presence in Puerto Rico.

8.  Vivotek's authorized reseller with a physical presence in Puerto Rico sells and offers to sell IP Cameras, DVRs and video encoders, all of which are generally accused in this Complaint as infringing at least one claim of the Asserted Patents.  The reseller in Puerto Rico also advertises the ability to conduct web and smartphone remote monitoring, which is facilitated by the software built into Vivotek's products.

9.  Canatelo is owned by a Puerto Rican entrepreneur and founder of multiple start-ups. Thus, the current owner of the Asserted Patents has availed himself of legal rights, duties

and obligations within the Commonwealth.  Canatelo acquired the patents as a way to further incentivize local innovation.

10. Upon information and belief, at the time of the invention all three inventors of the '111 and '858 patents were residing in Puerto Rico.  Thus, the patent grew out of invention and innovation that took place within Puerto Rico.

## THE PARTIES

11. Plaintiff Canatelo is a Puerto Rico limited liability company with its principal place of business at Martinal Plaza Aldea St. 1414, Suite 402, San Juan, Puerto Rico 00907.

12. Upon information and belief, Defendant Vivotek USA, Inc. is a California corporation with its principal place of business at 2050 Ringwood Ave., San Jose, California 95131.

## FACTUAL ALLEGATIONS

13. On December 18, 2007, the United States Patent and Trademark Office ("USPTO") duly and legally issued the '111 patent, entitled "Video monitoring and security system" after a full and fair examination. A true and correct copy of the '111 patent is attached hereto as Exhibit "A".  Canatelo is presently the owner of the patent, having received all right, title and interest in and to the '111 patent from the previous assignee of record, Innovation Institute, a Puerto Rican-based research and development company.  Canatelo possesses all rights of recovery under the '111 patent, including the exclusive right to recover for past infringement.  The '111 patent is valid and enforceable.

14. On November 11, 2002, the United States Patent and Trademark Office ("USPTO") duly and legally issued the '858 patent, entitled "Video monitoring and security system" after a full and fair examination. A true and correct copy of the '858 patent is attached hereto as Exhibit "B".  Canatelo is presently the owner of the patent, having received all right, title and interest in and to the '858 patent from the previous assignee of record, Innovation Institute, a Puerto Rican-based research and development company.  Canatelo

possesses all rights of recovery under the '858 patent, including the exclusive right to recover for past infringement.  The '858 patent is valid and enforceable.

15. Vivotek makes, uses, sells, offers to sell and/or imports network cameras including Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136.

16. Vivotek also makes, uses, sells, offers to sell and/or imports network camera model FD8372.

17. Vivotek makes, uses, sells, offers to sell and/or imports video servers including Vivotek models VS8102, VS7100, VS8801and VS8401.

18. Vivotek makes, uses, sells, offers to sell and/or imports network video recorders (NVRs) Vivotek models NR8301 and NR8201.

19. Vivotek sells, offers to sell and/or imports one or more of the above network cameras, video servers or network video recorders within the Commonwealth of Puerto Rico.

20. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131,

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FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 include a video camera that generates a video signal.

21. Vivotek's video server models VS8102, VS7100, VS8801and VS8401 and Vivotek's NVR models NR8301 and NR8201 include video inputs that receive signals from video cameras.

22. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 include a built-in microprocessor, memory and software for performing various functions in relation to video signals.

23. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161,

FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 and Vivotek's video server models VS8102, VS7100, VS8801and VS8401 have the ability to detect motion in the camera's field of view.

24. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 and Vivotek's video server models VS8102, VS7100, VS8801and VS8401 have the ability to exclude specific areas of the camera's field of view from motion detection and surround specific excluded areas with active areas where motion is detected.

25. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W,

PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 and Vivotek's video server models VS8102, VS7100, VS8801and VS8401 have the ability to surround specific excluded areas where motion is not detected with active areas where motion is detected.

26. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 have the ability to send e-mail to a pre-designated e-mail address when motion is detected.

27. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801, and VS8401; and

Vivotek's NVR models NR8301 and NR8201 have the ability to include compressed video images in emails sent to the pre-designated e-mail address.

28. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 have the ability to transmit alarm messages, such as transmitting electrical signals containing instructions and/or computer readable signals, instructing computer components to record and store camera images, and providing cues to alert human operators.

## DIRECT INFRINGEMENT

29. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 13-28.

30. Taken together, either partially or entirely, the features included in Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133,

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PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek video server models VS8801 and VS8401; and Vivotek's NVR models NR8301 and NR8201 include each of the elements recited in at least Claims 1-7 and 10 of the '111 Patent.

31. On information and belief, Vivotek's network camera model FD8372 functions similarly to the infringing Vivotek's network camera models described herein and consequently includes each of the elements recited in at least Claims 1-7 and 10 of the '111 Patent.

32. Taken together, either partially or entirely, the features included in Vivotek's video server models VS8102 and VS7100 include each of the elements recited in at least Claims 7 and 10 of the '111 Patent.

33. Taken together, either partially or entirely, the Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 perform each of the steps recited in at least Independent Claim 13 of the '111 Patent.

34. On information and belief, Vivotek's network camera model FD8372 functions similarly to the infringing Vivotek's network camera models described herein and consequently perform each of the steps recited in at least Independent Claim 13 of the '111 Patent.

35. Taken together, either partially or entirely, the features included in Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 and Vivotek's NVR models NR8301 and NR8201 include each of the elements recited in at least Independent Claim 26 of the '858 Patent.

36. On information and belief, Vivotek's network camera model FD8372 functions similarly to the infringing Vivotek's network camera models described herein and consequently include each of the elements recited in at least Independent Claim 26 of the '858 Patent.

37. In combination with one or more analog cameras, and taken together either partially or entirely, the features included in Vivotek's video server models VS8102, VS7100, VS8801and VS8401 include each of the elements recited in at least Independent Claim 26 of the '858 Patent.

38. Taken together, either partially or entirely, the Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134,

FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 perform each of the steps recited in at least Claims 28-30 and 37 of the '858 Patent.

39. On information and belief, Vivotek's network camera model FD8372 functions similarly to the infringing Vivotek's network camera models described herein and consequently perform each of the steps recited in at least Claims 28-30 and 37 of the '858 Patent.

40. Vivotek directly infringes at least Claims 1-7, 10 and 13 of the '111 Patent by using, selling, offering to sell and/or importing the Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271(a).

41. On information and belief, Vivotek directly infringes at least Claims 1-7, 9, 10 and 13 of the '111 Patent by using, selling, offering to sell and/or importing network camera model FD8372.

42. Vivotek directly infringes at least Claims 26 of the '858 Patent by using, selling, offering to sell and/or importing the Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271(a).

43. Vivotek directly infringes at least Claims 28-30 and 37 of the '858 Patent by using, selling, offering to sell and/or importing the Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models

VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271 (a).

44. On information and belief, Vivotek directly infringes at least Claims 26, 28-30 and 37 of the '858 Patent by using, selling, offering to sell and/or importing network camera model FD8372.

## INDUCING INFRINGEMENT

45. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 13-44.

46. Vivotek has had knowledge of the Asserted Patents and therefore of its infringement at least as of service of the present Complaint.

47. Vivotek indirectly infringes at least Claims 1-7, 10 and 13 of the '111 Patent by actively inducing customers to infringe on the '111 Patent at least by using any of Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801, and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271 (b).

48. On information and belief, Vivotek indirectly infringes at least Claims 1-7, 10 and 13 of the '111 Patent by actively inducing customers to infringe on the '111 Patent at least by

using Vivotek's network camera model FD8372.

49. Vivotek indirectly infringes at least Claims 26, 28-30 and 37 of the '858 Patent by actively inducing customers to infringe on the '858 Patent at least by using any of Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136 cameras; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271 (b).

50. On information and belief, Vivotek indirectly infringes at least Claims 26, 28-30 and 37 of the '858 Patent by actively inducing customers to infringe on the '858 Patent at least by using Vivotek's network camera model FD8372.

## CONTRIBUTORY INFRINGEMENT

51. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 13-50.

52. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W,

IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801 and VS8401; and Vivotek's NVR models NR8301 and NR8201 are components of a patented machine covered by one or more of Claims 1-7, 9, and 10 of the '111 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

53. On information and belief, Vivotek's network cameras with model FD8372 are components of a patented machine covered by one or more of Claims 1-7, 9, and 10 of the '111 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

54. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 are apparatuses for use in practicing a patented process covered by Claim 13 of the '111 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

55. On information and belief, Vivotek's network cameras with model FD8372 are apparatuses for use in practicing a patented process covered by Claim 13 of the '111

Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

56. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801 and VS8401; and Vivotek's NVR models NR8301 and NR8201 are components of a patented machine covered by one or more of Claims 1-26 of the '858 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

57. On information and belief, Vivotek's network cameras with model FD8372 are components of a patented machine covered by one or more of Claims 1-26 of the '858 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

58. Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W,

PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801 and VS8401; and Vivotek's NVR models NR8301 and NR8201 are apparatuses for use in practicing a patented process covered by one or more of Claims 28-37 of the '858 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

59. On information and belief, Vivotek's network cameras with model FD8372 are apparatuses for use in practicing a patented process covered by one or more of Claims 28-37 of the '858 Patent, constitute a material part of the invention and are not a staple article or commodity of commerce.

60. Vivotek has known that its network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801 and VS8401; and Vivotek's NVR models NR8301 and NR8201 were especially designed or especially adapted for use in infringement of the '111 and 858 Patents at least as of service of the present Complaint.

61. On information and belief, Vivotek has known that its network cameras with model FD8372 were especially designed or especially adapted for use in infringement of the '111 and 858 Patents at least as of service of the present Complaint.

62. Vivotek contributes to the direct infringement by others of one or more of Claims 1-7, 9, 10 and 13 of the '111 Patent by offering to sell, selling and/or importing Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161, IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271(c).  The class of such direct infringers includes, but is not limited to, the purchasers of Vivotek's network camera models, video server models, and network video recorders (NVR) models accused herein.

63. On information and belief, Vivotek contributes to the direct infringement by others of one or more of Claims 1-7, 9, 10 and 13 of the '111 Patent by offering to sell, selling and/or importing Vivotek's network cameras with model FD8372 in violation of 35 U.S.C. § 271(c).  The class of such direct infringers includes, but is not limited to, the purchasers of Vivotek's network cameras with model FD8372.

64. Vivotek contributes to the direct infringement by others of one or more of Claims 1-37 of the '858 Patent by offering to sell, selling and/or importing Vivotek's network camera models IP8362, IP8352, IP8162, IP8162P, IP8162P-SS, IP8151P, IP8151, IP8151-SS, SD8362E, SD8362E-SS, FE8171V, FD8362E, FD8362, MD8562, MD8562D, FD8162, MD7560X, MD7560, MD7530, MD7530D, FD7131, FD7132, FD8133, FD8133V, FD8134, FD8134-SS, FD8134V, FD8135H, FD8161, FD8335H, FD8361, FD8361L, IP7130, IP7133, IP7134, IP7135, IP7142, IP7153, IP7154, IP7160, IP7160-SS, IP7161,

IP7161-SS, IP7361, IP8132, IP8133, IP8133W, IP8161, IP8161-SS, IP8330, IP8331, IP8332, IP8332-SS, IP8335H, PT31x3, PT7135, PT7137, PT8133, PT8133W, PZ6112, PZ6122, PZ7131, PZ7132, PZ8111W, PZ8121W, PZ8111, PZ8121, SD7151, SD7313, SD7323, SD8121-SS, SD8111, SD8121, SD8311E, SD8321E, SD8331E, SD8312E, SD8322E, SD8313E, SD8323E, SD8323E-SS, and FD8136; Vivotek's video server models VS8102, VS7100, VS8801and VS8401; and Vivotek's NVR models NR8301 and NR8201 in violation of 35 U.S.C. § 271(c).  The class of such direct infringers includes, but is not limited to, the purchasers of Vivotek's network camera models, video server models, and network video recorders (NVR) models accused herein.

65. On information and belief, Vivotek contributes to the direct infringement by others of one or more of Claims 1-37 of the '858 Patent by offering to sell, selling and/or importing Vivotek's network cameras with model FD8372 in violation of 35 U.S.C. § 271(c).  The class of such direct infringers includes, but is not limited to, the purchasers of Vivotek's network cameras with model FD8372.

## DEMAND FOR JURY TRIAL

Canatelo demands a trial by jury of any and all causes of action.

## PRAYER FOR RELIEF

WHEREFORE, Canatelo prays for the following relief:

1. That Defendant be adjudged to have infringed the '111 and '858 patents, directly and/or indirectly, by way of inducement and/or contributory infringement, literally and/or under the doctrine of equivalents;

2. That Defendant, its officers, directors, agents, servants, employees, attorneys, affiliates, divisions, branches, parents, and those persons in active concert or

participation with any of them, be preliminarily and permanently restrained and enjoined from directly and/or indirectly infringing the '111 and '858 patents;

3. An award of damages pursuant to 35 U.S.C. §284 sufficient to compensate Canatelo for the Defendant's past infringement and any continuing or future infringement up until the date that Defendant is finally and permanently enjoined from further infringement, including compensatory damages;

4. An assessment of pre-judgment and post-judgment interest and costs against Defendant, together with an award of such interest and costs, in accordance with 35 U.S.C. §284;

5. That Defendant be directed to pay enhanced damages, including Canatelo's attorneys' fees incurred in connection with this lawsuit pursuant to 35 U.S.C. §285; and

6. That Canatelo have such other and further relief as this Court may deem just and proper.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 4th day of June, 2012.

*/s/Eugenio J. Torres-Oyola*
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