

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

**CANATELO, LLC**

Plaintiff,

v.

**NUVICO, INC.**

Defendant.

**CIVIL NUM.:**

**PLAINTIFF REQUESTS TRIAL BY  
JURY**

**PATENT INFRINGEMENT**

**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 Nuvico, 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, Nuvico sells and/or offers to sell EasyNet DVRs within the Commonwealth of Puerto Rico. Also, Nuvico specifically instructs customers wishing to purchase its products to visit a particular distributor located within the Commonwealth of Puerto Rico.
7. Canatelo is owned by a local 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 district. Canatelo acquired the patents as a way to further incentivize local innovation.
8. 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**

9. 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.
10. Upon information and belief, Defendant Nuvico, Inc. is a Delaware corporation with its principal place of business at 53 Smith St., Englewood, New Jersey 07631.

**FACTUAL ALLEGATIONS**

11. 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 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.
12. 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 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.
13. Nuvico makes, uses, sells, offers to sell and/or imports the EasyNet digital video recorder (DVR) series including models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200.

14. Nuvico makes, uses, sells, offers to sell and/or imports EasyNet DVR-compatible camera models CD-ST21N, CD-STD21N, CD-STD21N-L, CV-ST21N, CV-STD21N, CV-STD21N-L, CD-H2N, CD-HD2N-L, CD-H21N, CD-HD21N-L, CV-H21N, CV-HD21N-L, CB-HD2N-L, CB-HD39N-L, CB-HDE21N-L, and CB-HDE65N-L.
15. Nuvico sells, offers to sell and/or imports one or more of EasyNet DVR models ED-C400 or ED-P400 within the Commonwealth of Puerto Rico.
16. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 includes multiple video inputs that receive signals from video cameras.
17. Each of Nuvico's EasyNet DVR-compatible camera models CD-ST21N, CD-STD21N, CD-STD21N-L, CV-ST21N, CV-STD21N, CV-STD21N-L, CD-H2N, CD-HD2N-L, CD-H21N, CD-HD21N-L, CV-H21N, CV-HD21N-L, CB-HD2N-L, CB-HD39N-L, CB-HDE21N-L, CB-HDE65N-L, CF-ST1N, MS-Z10N, SC-S36N and CI-Z22N-L includes a video camera that generates a video signal.
18. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 includes a built-in microprocessor, memory and software for performing various functions in relation to video signals.
19. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to detect motion in a connected camera's field of view.
20. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to exclude specific areas of the connected camera's field of view from motion detection and surround specific excluded areas with active areas where motion is detected.

21. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to surround specific excluded areas where motion is not detected with active areas where motion is detected.
22. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to send e-mail to a pre-designated e-mail address when motion is detected.
23. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to include compressed video images in emails sent to the pre-designated e-mail address.
24. Each of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 has the ability to transmit alarm messages, such as instructing computer components to record camera images and providing cues to alert human operators.

**DIRECT INFRINGEMENT**

25. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 11-24.
26. Taken together, either partially or entirely, the features included in Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 include each of the elements recited in at least Claims 1-10 of the '111 Patent.
27. Taken together, either partially or entirely, the Nuvico EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 perform each of the steps recited in at least Independent Claim 13 of the '111 Patent.

28. In combination with one or more of Nuvico's EasyNet DVR-compatible camera models CD-ST21N, CD-STD21N, CD-STD21N-L, CV-ST21N, CV-STD21N, CV-STD21N-L, CD-H2N, CD-HD2N-L, CD-H21N, CD-HD21N-L, CV-H21N, CV-HD21N-L, CB-HD2N-L, CB-HD39N-L, CB-HDE21N-L, CB-HDE65N-L, CF-ST1N, MS-Z10N, SC-S36N and CI-Z22N-L, taken together, either partially or entirely, the features included in Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 include each of the elements recited in at least Independent Claim 26 of the '858 Patent.
29. Taken together, either partially or entirely, the Nuvico EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 perform each of the steps recited in at least Claims 28-30 and 37 of the '858 Patent.
30. Nuvico directly infringes at least Claims 1-10 and 13 of the '111 Patent by using, selling, offering to sell and/or importing the Nuvico EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(a).
31. Nuvico directly infringes at least Claims 28-30 and 37 of the '858 Patent by using, selling, offering to sell and/or importing the Nuvico EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(a).
32. Nuvico directly infringes at least Claim 26 of the '858 Patent by using, selling, offering to sell and/or importing the Nuvico EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in combination with one or more of Nuvico's EasyNet DVR-compatible camera models CD-ST21N, CD-STD21N, CD-STD21N-L, CV-ST21N, CV-STD21N, CV-STD21N-L, CD-H2N, CD-HD2N-L, CD-H21N, CD-HD21N-L, CV-H21N, CV-HD21N-L, CB-HD2N-L, CB-HD39N-L, CB-HDE21N-L, CB-HDE65N-L, CF-ST1N, MS-Z10N, SC-S36N and CI-Z22N-L in violation of 35 U.S.C. § 271(a).

**INDUCING INFRINGEMENT**

33. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 11-32.
34. Nuvico has had knowledge of the Asserted Patents and therefore of its infringement at least as of service of the present Complaint.
35. Nuvico indirectly infringes at least claims 1-10 and 13 of the '111 Patent by actively inducing customers to infringe on the '111 Patent at least by using any of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(b).
36. Nuvico 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 Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(b).

**CONTRIBUTORY INFRINGEMENT**

37. Plaintiff realleges and incorporates by reference the allegations set forth in paragraphs 11-36.
38. Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 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.
39. Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 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.

40. Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 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.
41. Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 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.
42. Nuvico has known that Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 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.
43. Nuvico contributes to the infringement of one or more of Claims 1-7, 9, 10 and 13 of the '111 Patent by offering to sell, selling and/or importing Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(c).
44. Nuvico contributes to the infringement of one or more of Claims 1-37 of the '858 Patent by offering to sell, selling and/or importing Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and ED-U3200 in violation of 35 U.S.C. § 271(c).
45. Nuvico contributes to the direct infringement by others of one or more claims of the Asserted Patents in violation of 35 U.S.C. § 271(c). The class of such direct infringers includes, but is not limited to, the purchasers of Nuvico's EasyNet DVR models ED-C400, ED-C800, ED-C1600, ED-P400, ED-P800, ED-P1600, ED-U1600 and/or ED-U3200.



**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 4<sup>th</sup> day of June, 2012.

/s/Eugenio J. Torres-Oyola

Eugenio J. Torres-Oyola

USDC No. 215505

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