

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

**WALKER DIGITAL, LLC**

**Plaintiff,**

**v.**

**ADT SECURITY SERVICES, INC.,  
IVEDA SOLUTIONS,  
WESTEC INTELLIGENT  
SURVEILLANCE, INC., and  
SENSORMATIC ELECTRONICS, LLC**

**Defendants.**

**Civil Action No. 11-310-LPS**

**JURY TRIAL DEMANDED**

**FIRST AMENDED COMPLAINT FOR PATENT INFRINGEMENT**

Plaintiff, Walker Digital, LLC, files this first amended complaint for patent infringement against Defendants ADT Security Services, Inc., Iveda Solutions, Westec Intelligent Surveillance, Inc., and Sensormatic Electronics, LLC (collectively the “Defendants”):

**THE PARTIES AND PATENTS-IN-SUIT**

1. Plaintiff Walker Digital, LLC (“Walker Digital”) is a Delaware limited liability company with its principal place of business located at 2 High Ridge Park, Stamford, CT 06905. Walker Digital is a research and development laboratory that has been the genesis for many successful businesses, including priceline.com, Inc. and Synapse, Inc.

2. On information and belief, Defendant ADT Security Services, Inc. (“ADT”), is a Delaware Corporation with its principal place of business located at One Town Center Road, Boca Raton, FL 33486. ADT may be served via its registered agent, Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

3. On information and belief, Defendant Iveda Solutions (“Iveda”), is a Nevada Corporation with its principal place of business located at 1201 S. Alma School, Suite 4450,

Mesa, AZ 85201. Iveda may be served via its registered agent, Corporation Trust Company of Nevada, 311 S. Division Street, Carson City, NV 89703.

4. On information and belief, Defendant Westec Intelligent Surveillance, Inc. (“Westec”), is a Delaware Corporation with its principal place of business located at 1089 Jordan Creek Pkwy, Ste. 116 West DesMoines, IA 50266. Westec may be served via its registered agent, Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

5. On information and belief, Defendant Sensormatic Electronics, LLC (d/b/a American Dynamics) (“Sensormatic”) is a Nevada limited liability company with its principal place of business located at 6600 Congress Avenue, Boca Raton, FL 33487. Sensormatic may be served via its registered agent, The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801.

#### **JURISDICTION AND VENUE**

6. This action arises under the patent laws of the United States, Title 35 of the United States Code. This Court has subject matter jurisdiction under 28 U.S.C. §§ 1331 and 1338(a).

7. On information and belief, each of the Defendants is subject to this Court’s jurisdiction because each of the Defendants has, upon information and belief, transacted business in the District and in the State of Delaware. Specifically, each Defendant either directly and/or through intermediaries, upon information and belief, ships, distributes, offers for sale, sells, (including via the provision of such services over the Internet) products and services in this District. Additionally, Defendants ADT and Westec are corporations organized and existing under the laws of the State of Delaware. Each Defendant thus has, upon information and belief, minimum contacts with this District and State, has purposefully availed itself of the privileges of

conducting business in this District and State, regularly conducts and solicits business within the State of Delaware, and has committed acts of patent infringement in this District and State.

8. Venue is proper in this district under 28 U.S.C. §§ 1391(b) and (c), and 1400(b).

**THE ASSERTED PATENTS**

9. On April 13, 2004, the United States Patent and Trademark Office (“USPTO”) duly and legally issued U.S. Patent No. 6,720,990 B1 (the “‘990 patent”), entitled “Internet Surveillance System and Method” to Jay S. Walker, Daniel E. Tedesco, Dean P. Alderucci, and Magdalena Mik, who assigned their rights and interests in the ‘990 patent to Walker Digital. A true and correct copy of the ‘990 patent is attached as Exhibit A.

10. On September 22, 2009, the USPTO duly and legally issued U.S. Patent No. 7,593,033 B2 (the “‘033 patent”), entitled “Internet Surveillance System and Method” in the names of Jay S. Walker, Daniel E. Tedesco, Dean P. Alderucci, and Magdalena M. Fincham, who assigned their rights and interests in the ‘033 patent to Walker Digital. A true and correct copy of the ‘033 patent is attached as Exhibit B.

11. On October 13, 2009, the USPTO duly and legally issued U.S. Patent No. 7,602,414 B2 (the “‘414 patent”), entitled “Internet Surveillance System and Method” in the names of Jay S. Walker, Daniel E. Tedesco, Dean P. Alderucci, and Magdalena M. Fincham, who assigned their rights and interests in the ‘414 patent to Walker Digital. A true and correct copy of the ‘414 patent is attached as Exhibit C.

12. On October 20, 2009, the USPTO duly and legally issued U.S. Patent No. 7,605,840 B2 (the “‘840 patent”), entitled “Internet Surveillance System and Method” in the names of Jay S. Walker, Daniel E. Tedesco, Dean P. Alderucci, and Magdalena M. Fincham, who assigned their rights and interests in the ‘840 patent to Walker Digital. A true and correct copy of the ‘840 patent is attached as Exhibit D.

13. On October 19, 2010, the USPTO duly and legally issued U.S. Patent No. 7,817,182 B2 (the “‘182 patent”), entitled “Internet Surveillance System and Method” in the names of Jay S. Walker, Daniel E. Tedesco, Dean P. Alderucci, and Magdalena M. Fincham, who assigned their rights and interests in the ‘182 patent to Walker Digital. A true and correct copy of the ‘182 patent is attached as Exhibit E.

14. Walker Digital is the owner of the entire right, title and interest in the ‘990, ‘033, ‘414, ‘840, and ‘182 patents (“the Asserted Patents”).

### **FACTUAL BACKGROUND**

15. Walker Digital is a research and development laboratory consisting of a diverse group of innovators who study human behavior and utilize modern information technology to design novel solutions to business problems. Walker Digital has invested millions of dollars developing ground-breaking solutions to problems encountered in a wide range of industries including retail, vending, credit cards, security, gaming, educational testing, and GPS directions. This investment was used for many things, including the development of facilities to assist with the research, development and testing of new inventions, which, in turn, generated additional new solutions to problems and additional inventions. Many of these inventions and solutions have been the genesis for successful businesses, including priceline.com and Synapse, Inc.

16. Jay Walker, the chairman of Walker Digital, is perhaps best known as the founder of priceline.com, which brought unprecedented technology and a new level of value to the travel industry. The business processes that guide priceline.com’s success were created in the invention lab of Walker Digital. Mr. Walker is named on more than 450 issued and pending U.S. and international patents, including the methods and systems described and claimed in the Asserted Patents, which represent a huge leap forward in the field of Internet and remote surveillance.

**COUNT I**  
**(Infringement of the '990 Patent)**

17. Walker Digital incorporates and realleges the allegations of paragraphs 1-16 as if fully set forth herein.

18. Upon information and belief, Defendant ADT is infringing (literally and/or under the doctrine of equivalents) the '990 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Safe Watch Quick Connect, Safe Watch Pro RF, Safe Watch Essentials Plus, Safe Watch Critical Conditions Package, ADT Premise Pro, and ADT Select Vision, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 11, 12, 13, and 24, of the '990 patent.

19. Upon information and belief, Defendant Iveda is infringing (literally and/or under the doctrine of equivalents) the '990 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Real-Time Video Surveillance products, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 11, 12, 13, and 24, of the '990 patent.

20. Upon information and belief, Defendant Westec is infringing (literally and/or under the doctrine of equivalents) the '990 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Interactive Monitoring Service, Rapid Response, Virtual Guard, Video Verification, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 11, 12, 13, and 24, of the '990 patent.

21. Upon information and belief, Defendant Sensormatic is infringing (literally and/or under the doctrine of equivalents) the '990 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products, including, but not limited to, IntelliVid Video Intelligence Software (alone or in combination with IP cameras or other related components), as well as similar products covered by one or more claims, including but not limited to at least claims 11, 12, 22, 23, 43 and 44 of the '990 patent.

22. Defendants committed these acts of infringement without license or authorization.

23. As a result of Defendants' infringement of the '990 patent, Walker Digital has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless Defendants' infringing activities are enjoined by this Court.

24. Walker Digital has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants, their agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the '990 patent.

**COUNT II**  
**(Infringement of the '033 Patent)**

25. Walker Digital incorporates and realleges the allegations of paragraphs 1-24 as if fully set forth herein.

26. Upon information and belief, Defendant ADT is infringing (literally and/or under the doctrine of equivalents) the '033 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Safe Watch Quick Connect, Safe Watch Pro RF, Safe Watch Essentials Plus, Safe Watch Critical Conditions Package, ADT Premise Pro, and ADT Select Vision, as well as similar products and

services covered by one or more claims, including but not limited to at least claims 1, 7, and 13 of the '033 patent.

27. Upon information and belief, Defendant Iveda is infringing (literally and/or under the doctrine of equivalents) the '033 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Real-Time Video Surveillance products, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 7, and 13 of the '033 patent.

28. Upon information and belief, Defendant Westec is infringing (literally and/or under the doctrine of equivalents) the '033 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Interactive Monitoring Service, Rapid Response, Virtual Guard, Video Verification, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 7, and 13 of the '033 patent.

29. On information and belief, Defendant Sensormatic is infringing (literally and/or under the doctrine of equivalents) the '033 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products, including, but not limited to, IntelliVid Video Intelligence Software (alone or in combination with IP cameras or other related components), as well as similar products covered by one or more claims, including but not limited to at least claims 7 and 13 of the '033 patent.

30. Defendants committed these acts of infringement without license or authorization.

31. As a result of Defendants' infringement of the '033 patent, Walker Digital has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless Defendants' infringing activities are enjoined by this Court.

32. Walker Digital has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants, their agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the '033 patent.

**COUNT III**  
**(Infringement of the '414 Patent)**

33. Walker Digital incorporates and realleges the allegations of paragraphs 1-32 as fully set forth herein.

34. Upon information and belief, Defendant ADT is infringing (literally and/or under the doctrine of equivalents) the '414 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Safe Watch Quick Connect, Safe Watch Pro RF, Safe Watch Essentials Plus, Safe Watch Critical Conditions Package, ADT Premise Pro, and ADT Select Vision, as well as similar products and services covered by one or more claims, including but not limited to at least claims 12, 34, and 37, of the '414 patent.

35. Upon information and belief, Defendant Iveda is infringing (literally and/or under the doctrine of equivalents) the '414 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Real-Time Video Surveillance products, as well as similar products and services covered by one or more claims, including but not limited to at least claims 12, 34, and 37, of the '414 patent.



36. Upon information and belief, Defendant Westec is infringing (literally and/or under the doctrine of equivalents) the '414 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Interactive Monitoring Service, Rapid Response, Virtual Guard, Video Verification, as well as similar products and services covered by one or more claims, including but not limited to at least claims 12, 34, and 37, of the '414 patent.

37. Defendants ADT, Iveda and Westec committed these acts of infringement without license or authorization.

38. As a result of Defendants ADT, Iveda and Westec's infringement of the '414 patent, Walker Digital has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless those Defendants' infringing activities are enjoined by this Court.

39. Walker Digital has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants ADT, Iveda and Westec, their agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the '414 patent.

**COUNT IV**  
**(Infringement of the '840 Patent)**

40. Walker Digital incorporates and realleges the allegations of paragraphs 1-39 as if fully set forth herein.

41. Upon information and belief, Defendant ADT is infringing (literally and/or under the doctrine of equivalents) the '840 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Safe

Watch Quick Connect, Safe Watch Pro RF, Safe Watch Essentials Plus, Safe Watch Critical Conditions Package, ADT Premise Pro, and ADT Select Vision, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 14, and 15, of the '840 patent.

42. Upon information and belief, Defendant Iveda is infringing (literally and/or under the doctrine of equivalents) the '840 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Real-Time Video Surveillance products, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 14, and 15, of the '840 patent.

43. Upon information and belief, Defendant Westec is infringing (literally and/or under the doctrine of equivalents) the '840 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Interactive Monitoring Service, Rapid Response, Virtual Guard, Video Verification, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 14, and 15, of the '840 patent.

44. Upon information and belief, Defendant Sensormatic is infringing (literally and/or under the doctrine of equivalents) the '840 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products, including, but not limited to, IntelliVid Video Intelligence Software (alone or in combination with IP cameras or other related components), as well as similar products covered by one or more claims, including but not limited to at least claims 14 and 15 of the '840 patent.

45. Defendants committed these acts of infringement without license or authorization.

46. As a result of Defendants' infringement of the '840 patent, Walker Digital has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless Defendants' infringing activities are enjoined by this Court.

47. Walker Digital has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants, their agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the '840 patent.

**COUNT V**  
**(Infringement of the '182 Patent)**

48. Walker Digital incorporates and realleges the allegations of paragraphs 1-47 as if fully set forth herein.

49. Upon information and belief, Defendant ADT is infringing (literally and/or under the doctrine of equivalents) the '182 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Safe Watch Quick Connect, Safe Watch Pro RF, Safe Watch Essentials Plus, Safe Watch Critical Conditions Package, ADT Premise Pro, and ADT Select Vision, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 10, 12, and 13 of the '182 patent.

50. Upon information and belief, Defendant Iveda is infringing (literally and/or under the doctrine of equivalents) the '182 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Real-

Time Video Surveillance products, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 10, 12, and 13 of the '182 patent.

51. Upon information and belief, Defendant Westec is infringing (literally and/or under the doctrine of equivalents) the '182 patent in this District and throughout the United States by, among other things, making, using, importing, offering for sale and/or selling remote and Internet monitoring and surveillance products and services, including, but not limited to, Interactive Monitoring Service, Rapid Response, Virtual Guard, Video Verification, as well as similar products and services covered by one or more claims, including but not limited to at least claims 1, 10, 12, and 13 of the '182 patent.

52. Defendants ADT, Iveda and Westec committed these acts of infringement without license or authorization.

53. As a result of Defendants ADT, Iveda and Westec's infringement of the '182 patent, Walker Digital has suffered monetary damages in an amount not yet determined, and will continue to suffer damages in the future unless those Defendants' infringing activities are enjoined by this Court.

54. Walker Digital has also suffered and will continue to suffer severe and irreparable harm unless this Court issues a permanent injunction prohibiting Defendants ADT, Iveda and Westec, their agents, servants, employees, representatives, and all others acting in active concert therewith from infringing the '182 patent.

**DEMAND FOR JURY TRIAL**

Plaintiff Walker Digital, under Rule 38 of the Federal Rules of Civil Procedure, requests a trial by jury of any issues so triable by right.

**PRAYER FOR RELIEF**

For the above reasons, Walker Digital respectfully requests that this Court grant the following relief in favor of Walker Digital and against Defendants:

(a) A judgment in favor of Walker Digital that each of the Defendants have directly infringed, (either literally or under the doctrine of equivalents) one or more claims of the '990 patent;

(b) A judgment in favor of Walker Digital that each of the Defendants have directly infringed, (either literally or under the doctrine of equivalents) one or more claims of the '033 patent;

(c) A judgment in favor of Walker Digital that each of Defendants ADT, Iveda and Westec have directly infringed, (either literally or under the doctrine of equivalents) one or more claims of the '414 patent;

(d) A judgment in favor of Walker Digital that each of the Defendants have directly infringed, (either literally or under the doctrine of equivalents) one or more claims of the '840 patent;

(e) A judgment in favor of Walker Digital that each of Defendants ADT, Iveda and Westec have directly infringed, (either literally or under the doctrine of equivalents) one or more claims of the '182 patent;

(f) A permanent injunction enjoining each of the Defendants and their officers, directors, agents, servants, affiliates, employees, divisions, branches, subsidiaries, parents, and all others acting in active concert or participation with them, from infringing the Asserted Patents;

(g) A judgment and order requiring Defendants to pay Walker Digital its damages, costs, expenses, and pre-judgment and post-judgment interest for Defendants' infringement of the Asserted Patents;

(h) A judgment and order finding that this is an exceptional case within the meaning of 35 U.S.C. § 285 and awarding Walker Digital its reasonable attorneys' fees; and

(i) Any and all such other relief as the Court deems just and proper.

BAYARD, P.A.

/s/ Richard D. Kirk

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