

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

e-WATCH, INC.
Plaintiff

v.

FLIR SYSTEMS, INC.
Defendant

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Civil Case No. 4:13-cv-638

Jury demanded

COMPLAINT

e-WATCH, INC. files this action complaining of **FLIR SYSTEMS, INC.** and for cause of action respectfully shows as follows:

PARTIES

1. Plaintiff **e-WATCH, INC.** is a Nevada Corporation with its principal office in San Antonio, Texas, and with offices in Houston, Texas.

2. Defendant **FLIR SYSTEMS, INC.** is an Oregon corporation with its principal office at 27700 SW Parkway Ave., Wilsonville, Oregon.

SERVICE OF PROCESS

3. Defendant FLIR Systems, Inc. may be served with process by serving its Registered Agent for Service of Process, National Registered Agents, Inc. 1021 Main St., Suite 1150, Houston, Texas 77002.

JURISDICTION AND VENUE

4. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a), because plaintiff's claims arise under federal laws relating to patents and unfair competition.

5. This Court has personal jurisdiction over the defendant because it transacts business within the United States, including to consumers within the geographic boundaries of the Southern District of Texas. The Court also has personal jurisdiction because the defendant have committed acts of patent infringement within the geographic boundaries of the Southern District of Texas.

6. Venue is proper in the Southern District of Texas under 28 U.S.C. § 1391(b) because, on information and belief, FLIR distributes its allegedly infringing products through a distribution center in Houston, Texas, because it substantial acts of infringement giving rise to plaintiff's claim occurred and continue to occur within the boundaries of the Southern District of Texas, and because the defendant maintains a registered agent for service of process within the boundaries of the Southern District of Texas.

FACTS

7. e-Watch develops and markets hardware, software and services designed to centrally manage a multiplicity of safety, security and access control devices using IP protocol over a computer network, including modern professional security surveillance systems and associated cameras. For example, a corporate office campus may include access control by way of still frame pictures of individuals seeking access or full motion cameras monitoring rooms, hallways, or doors. e-Watch also develops and markets digital camera systems, which, among

other things, have the capability of creating high resolution still and streaming video signals from a multiplicity of image transducers, compressing the digital image signal, and sending a multiplicity of image signals over a digital network. The advantage of e-Watch's technology is, among other things, that it allows live monitoring and digital recording of high resolution, full frame rate, color images, either on site, offsite, or in distributed locations.

8. e-Watch is the owner of the following United States Patents:

<u>Patent No.</u>	<u>Title</u>	<u>Issue Date</u>
6,970,183 (the '183 patent)	Multimedia Surveillance and Monitoring System Including Network Configuration	Nov 29, 2005
7,023,913 (the '913 patent)	Digital Security Multimedia Sensor	Apr 4, 2006

The digital camera surveillance systems marketed by e-Watch incorporate claims included these patents.

9. FLIR Systems is a world leader in the design, manufacture and distribution of thermal imaging cameras and associated products and systems. It makes, uses and sells, or attempts to make, use or sell, or otherwise provide throughout the United States and within the geographical area covered by the United States District Court for the Southern District of Texas, products which utilize the systems, methods and apparatus in at least one claim in each of the '183, and '913 Patents. The infringing products include, but are not limited to the FLIR FC-Series Cameras, F-Series Cameras, PT-Series Cameras, D-Series Cameras and Sensor Manager Software.

CLAIM I
INFRINGEMENT OF THE '183 PATENT

10. The '183 patent describes a surveillance and security system that includes a surveillance sensor (such as motion detector) which generates a signal that is converted into a network compatible signal, sent over a network, and logged by a computer. A second security sensor (such as a camera) also generates data which is sent to and logged by the computer. In addition, the computer also communicates back with this second sensor to control a preprogramed function, such as, in the case of a camera, zoom in or out, pan left or right, etc. This is a conceptual summary of the technology described in the patent; a complete list of claims and limitations are found in the patent itself.

11. The '183, Patent is valid and enforceable.

12. FLIR has and continues to infringe, contributorily infringe or actively induce the infringement of the '183 Patent by using, selling and offering for use or sale products and services within this judicial district which incorporate e-Watch's patented technology. FLIR is offering for sale or use, or selling or using these products without license or authority from e-Watch.

13. The claims of the patent are either literally infringed or infringed under the doctrine of equivalents. These infringing acts of FLIR are committed in violation of 35 U.S.C. § 271.

14. Upon information and belief, plaintiff alleges that the acts of infringement by FLIR are willful, making this an exceptional case under 35 U.S.C. § 285.

15. Upon information and belief, plaintiff further alleges that the actions of FLIR have resulted in substantial lost profits to the plaintiff, and substantial unjust profits and enrichment to FLIR, all in amounts yet to be determined. The infringing acts committed by

FLIR have caused irreparable harm to the plaintiff and will continue to do so unless enjoined by the Court.

**CLAIM II
INFRINGEMENT OF THE '913 PATENT**

16. The '913 patent describes a digital security camera capable of generating and transmitting digital high resolution full motion video and still images. It includes at least two high resolution image transducers which generate full motion video signals and still frame image signals. The raw image data is then compressed, and the two compressed signals are then merged by a multiplexer into a single signal. This combined signal is then processed into a format suitable for transmission over a network. This is a conceptual summary of the technology described in the patent; a complete list of claims and limitations are found in the patent itself.

17. The '913, Patent is valid and enforceable.

18. FLIR has and continues to infringe, contributorily infringe or actively induce the infringement of the '913 Patent by using, selling and offering for use or sale products and services within this judicial district which incorporate e-Watch's patented technology. FLIR is offering for sale or use, or selling or using these products without license or authority from e-Watch.

19. The claims of the patent are either literally infringed or infringed under the doctrine of equivalents. These infringing acts of FLIR are committed in violation of 35 U.S.C. § 271.

20. Upon information and belief, plaintiff alleges that the acts of infringement by FLIR are willful, making this an exceptional case under 35 U.S.C. § 285.

21. Upon information and belief, plaintiff further alleges that the actions of FLIR have resulted in substantial lost profits to the plaintiff, and substantial unjust profits and enrichment to FLIR, all in amounts yet to be determined. The infringing acts committed by FLIR have caused irreparable harm to the plaintiff and will continue to do so unless enjoined by the Court.

DAMAGES

22. As a result of the infringement described herein, Plaintiff has suffered actual and consequential damages, however, plaintiff does not yet know the full extent of such damages and such extent cannot be ascertained except through discovery and special accounting. To the fullest extent permitted by law, plaintiff seeks recovery of damages for lost profits, reasonable royalties, unjust enrichment, and benefits received by the defendant as a result of using the misappropriated technology. Plaintiff seeks any other damages to which it may be entitled in law or in equity.

23. The acts of infringement described herein were committed intentionally, knowingly, and with callous disregard of plaintiff's legitimate rights. Plaintiff is therefore entitled to and now seeks to recover exemplary damages in an amount not less than the maximum amount permitted by law.

ATTORNEYS FEES

24. Plaintiff is entitled to recover reasonable and necessary attorneys fees under applicable law.

CONDITIONS PRECEDENT

25. All conditions precedent to plaintiff's right to recover as requested herein have occurred or been satisfied.

JURY DEMAND

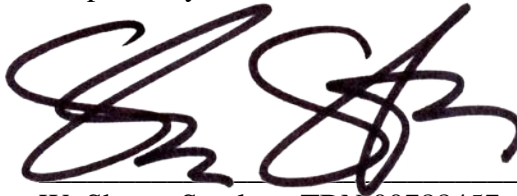
26. Plaintiff demands a trial by jury pursuant to Fed. R. Civ. P. 38.

PRAYER

WHEREFORE, PREMISES CONSIDERED, plaintiff e-Watch, Inc. asks that defendant FLIR Systems, Inc. be cited to appear and answer and, on final trial, that plaintiff have judgment against each defendant for the following:

- a. Actual economic damages;
- b. Exemplary treble damages as allowed by law;
- c. Permanent injunction;
- d. Attorney fees;
- e. Pre-judgment and post-judgment interest as allowed by law;
- f. Costs of suit; and
- g. All other relief in law or in equity to which plaintiff may show itself justly entitled.

Respectfully submitted,



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